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## Soviets Say Death Toll in Quake Nears 100,000



Apartment houses destroyed by the earthquake in Leninakan, the second largest city in Armenia, left; residents wander through rubble there, above. Thousands died in the city and many others have been left homeless and need water, food and medical supplies.

## Homeless Victims Of the Catastrophe May Total Millions

By David Remick

Washington Post Service

MOSCOW — As many as 100,000 people are believed dead after an earthquake leveled cities and towns in Soviet Armenia on Wednesday, and more than 400,000 homeless survivors are now sleeping in the streets or in makeshift tent villages, according to official sources.

Leonid M. Zamyatin, the Soviet ambassador in Britain, said Friday in London that about 80,000 people have died. The Associated Press reported, speaking to a delegation of Armenians at the Soviet Embassy, he said "Our estimate is, but it's not an exact figure, that we have about 80,000 people who lost life in Armenia, and 2.5 million lost their homes."

In the city of Spitak, which reportedly "disappeared from the face of the earth," there were still "strong vibrations" every two hours, according to the Communist Party newspaper Pravda. Spitak has a population of about 50,000. President Mikhail S. Gorbachev, who cut short a trip to New York

this week, is reportedly directing the relief effort from Moscow and will make a trip to Yerevan, the capital of Armenia.

A spokesman for the Foreign Ministry, Vadim Perilyev, said Friday that it had not yet been decided when Mr. Gorbachev would go to the area.

Yerevan was relatively untouched by the quake, but the republic's next largest cities, Leninakan and Kirovakan, had thousands of deaths. About 290,000 people live in Leninakan, while the population of Kirovakan is 170,000.

Countless apartment buildings, schools, factories, hospitals and bridges were destroyed in the cities. Drinking water, food, medical supplies and power were in short supply.

The government newspaper Komsomolskaya Pravda said that collapsed buildings in Leninakan were transformed into "common graves." About three-quarters of the city was destroyed.

Press coverage of the tragedy is one of the most radical examples yet of Mr. Gorbachev's policy of glasnost, or openness. Reports in newspapers and on television and radio have been quick, complete and explicit.

Although the Soviet press has tried to highlight "fraternal" cooperation from the neighboring republic of Azerbaijan, the disaster appears to have done little to improve relations between Armenia and Azerbaijan in some instances. The Armenian press agency reported "isolated" incidents Friday of Azerbaijanis in the capital city of Baku burning down the homes of Armenians.

The government newspaper Izvestia confirmed the reports of violence, saying, "It's awful to learn that there are people who try to use tragic circumstances for excesses and provocations."

It urged people to "first be human beings, and then Russians, Armenians or Azerbaijanis." Komsomolskaya Pravda was sharply critical of the government's lack of readiness for earthquakes in an area that is geologically active.

The newspaper asked, "Where were the seismologists, architects and construction workers that planned and built these houses that fell apart like matchboxes?"

A professor of seismology in Moscow, Nikolai Shebalin, told the press that he expected more tremors in northern Armenia, although "less powerful" than the one Wednesday.

The quake measured 6.9 on the Richter scale, a level that is capable of causing major damage, and was centered near Leninakan.

The earthquake shook the region at midnight when children were at school and workers in factories. Pravda said that in Spitak "all seismological devices went off the scale." Only two persons were rescued from a local hospital that collapsed.

The wounded in Spitak were taken to a local stadium and every ten or fifteen minutes helicopters flew from the stadium with the injured. They were taken to hospitals in Yerevan.

Komsomolskaya Pravda said, "The panorama of the city is as if it had been cruelly bombarded."

The early estimate of 100,000 deaths came from officials at the official Armenian news agency and Western diplomats who have been able to piece together details of the scope of the damage in the region.

The Soviet news agency Tass used the term "tens of thousands" on Friday.

A government spokesman, Lev

See QUAKE, Page 2

## Miyazawa: Political Sacrifice Japan Finance Chief's Resignation May Aid Tax Plan

By Patrick L. Smith

International Herald Tribune

TOKYO — In accepting the resignation Friday of his finance minister, Prime Minister Noboru Takeshita has made his most painful political sacrifice to date — and potentially most dangerous — in the service of the national tax reform plan he has advanced as the hallmark of his administration.

The finance minister, Kiichi Miyazawa, is the most prominent official to be forced from office so far as a result of a stock-trading controversy that has become one of Japan's most damaging political scandals of the postwar era.

"What happens to me is not important," Mr. Miyazawa, 69, said in resigning Friday. "I give top priority to the tax bills, and I have taken the proper steps to ensure their passage."

His departure underscores the unexpectedly strong response that the Japanese public has had to an affair initially viewed as a relatively routine example of legal but ethically questionable political fund-raising.

As an opportunity for Japan's opposition parties, the affair has plagued the governing Liberal

Democrats and their tax package since it erupted six months ago.

Until recently, however, it appeared to give the prime minister's adversaries only the kind of nuisance value on which they generally thrive in the national legislature.

Now the stakes are larger: The most fundamental issue facing both party officials and the Takeshita government is whether the departure of Mr. Miyazawa, finance minister since mid-1986 and deputy prime minister since Mr. Takeshita took office a year ago, will be the last.

By many accounts, Mr. Takeshita has sacrificed his most gifted administrator in an effort to pass his tax plan in the upper house by the end of this month and to incorporate it into the national budget for the fiscal year that begins April 1.

But political analysts questioned Friday whether the prime minister had yet won the cooperation of opposition legislators for the duration of the current extraordinary session of the Diet, the Japanese parliament.

Mr. Miyazawa, the architect of the tax reforms, has served chiefly to protect other party and gov-

See JAPAN, Page 2

## Shultz Urges NATO Not to Drop Guard

By David B. Ottaway

Washington Post Service

BRUSSELS — George F. Shultz bid farewell on Friday to his NATO colleagues by hailing the changes in Soviet domestic and arms control policies but warning Western Europe against any premature conclusion that the Cold War was over.

Speaking at his last NATO meeting before he leaves office Jan. 20, the U.S. secretary of state seemed to thread a delicate line between high praise for the changes being brought about by President Mikhail S. Gorbachev of the Soviet Union and warnings that the Atlantic Alliance must nonetheless keep up its defenses.

A similar theme has been struck here by European foreign ministers, who have been peppered by questions from reporters about whether the Gorbachev announcement of significant Soviet troop and tank reductions called for some reciprocal NATO gesture and reduced the need for military spending.

Asked whether war was now less likely than when he became secretary in 1982, Mr. Shultz said he thought there had been a "huge change" in the ability of the East and West to cope with the arms control, human rights and issues involving regional conflicts in "a careful and constructive way."

But he warned against believing the Cold War was over. "I do like the notion that the Cold War is dead. I hope it's true," Mr. Shultz said. But he added: "There is still tension. There is still varieties of interest. There is still those big force structures."

"The Berlin Wall is still there. If there is a single symbol of the Cold War, that's it."

Mr. Shultz said that being encouraged by recent changes in Soviet policies "does not mean you go bananas and forget what got you here." He was referring to NATO efforts to increase its strength, including the deployment of intermediate-range missiles in 1983 that

See NATO, Page 2

## Another Blow for Gorbachev

By Philip Taubman

New York Times Service

MOSCOW — Long after the victims are buried and the rubble removed, the devastating earthquake in Armenia will haunt Mikhail S. Gorbachev's effort to revive the Soviet economy and reshape the country.

Already reeling from unexpected setbacks, the economy can ill afford the diversion of money, manpower and resources needed to deal with an earthquake that left tens of thousands dead and destroyed large areas of the Republic of Armenia.

Although the economic cost has not been estimated yet, it seems certain to run into tens, if not hundreds, of billions of rubles.

The television news Friday evening showed rescue equipment, food, clothing and other supplies being rushed to the quake area from distant regions of the country, a first infusion of aid that will be followed in the weeks and months ahead by an expensive reconstruction effort.

The 1986 Chernobyl nuclear accident, which Soviet economists consider to have been a severe blow to Mr. Gorbachev's program, cost 8 billion rubles (\$12.5 billion).

The economy is the linchpin of Mr. Gorbachev's effort to remake the Soviet Union — if it fails to respond to his initiatives, the prospects for sustaining political, cultural and other changes would be seriously diminished.

The ambitious package of political changes approved last month by the Communist Party and national legislature, including a partial transfer of power from the party to popularly elected legis-

tures, was designed in large part to create a government system more conducive to economic flexibility and growth.

Before the earthquake, the economy was sputtering, at best, and Mr. Gorbachev was under increasing pressure to limit government spending

### NEWS ANALYSIS

while providing more food and consumer goods for a public impatient with chronic shortages.

The reductions in Soviet military forces announced by Mr. Gorbachev during his appearance at the United Nations on Wednesday were forced, to some extent, by the country's serious economic problems.

The government disclosed in October that there would be a 36 million ruble budget deficit in 1989. Western economists estimate the actual deficit may be two or three times that figure.

A recent article in the journal *Kommunist* by Oleg R. Lada, a leading economist, said the real deficit was closer to 100 billion rubles.

Since taking power in March 1985 and starting the most extensive effort to change the country since Stalin forged the current system in the 1930s, Mr. Gorbachev has faced unforeseen economic problems that have all but crippled his programs.

The first was the collapse of international oil prices. The Soviet Union is the world's largest oil producer, and the loss of revenue from petroleum exports in the past three years has totaled more

See ECONOMY, Page 5

## Defeat for Soviet Military

By R. Jeffrey Smith

Washington Post Service

WASHINGTON — President Mikhail S. Gorbachev's announcement of unilateral cuts in troops and weapons is a striking defeat for the Soviet military, which waged an extended, unusually public campaign of opposition to them, according to U.S. and Soviet analysts.

The opponents included the top Soviet military leaders, the chief of staff, Sergei F. Akhromeyev, and Defense Minister Dmitri T. Yazov, as well as their senior aides, many of whom published articles and made speeches in the past year attacking the idea of unilateral reductions.

The experts said they did not expect the opposition to persist, at least in public, or to jeopardize Mr. Gorbachev's position as the most innovative Soviet leader since Nikita S. Khrushchev, who ordered even larger troop cuts in the 1950s.

"The fact that military officials expressed these strongly held views does not mean they won't support Gorbachev now that a decision has been made," said Raymond Garthoff, a Brookings Institution scholar on the Soviet military.

In December, Marshal Akhromeyev wrote in a

Soviet journal that Mr. Gorbachev's new military doctrine of "reasonable sufficiency" should not be mistaken for "a unilateral lessening of our defense efforts." But Mr. Gorbachev expressly invoked the "reasonable sufficiency" strategy in his UN speech outlining the rationale for unilaterally trimming

### NEWS ANALYSIS

500,000 Soviet troops, 10,000 tanks, 8,500 artillery systems and 800 combat aircraft.

Earlier this year, Warsaw Pact leaders approved a proposal for control of conventional arms that included a cut of 500,000 troops, but on "a reciprocal basis" with the West.

When Marshal Akhromeyev, during his visit to the United States in August, was asked about cutting troops unilaterally, he replied: "It is not the accepted practice with us to ask a question: Why should we do that unilaterally?"

Marshal Akhromeyev's retirement for health reasons was announced on Wednesday. The Soviet

See DEFEAT, Page 2

### Klosk

## Major Gives Up In Argentina

BUENOS AIRES (Reuters)

A rebel Argentine army major surrendered Friday after holding out at an infantry base for four days following the end of an revolt by officers, President Raul Alfonsín's worst military crisis.

Military sources said Major Hugo Rinaldo Abete surrendered after a two-hour conversation with a group of colonels at the base in Mercedes, 60 miles (100 kilometers) west of Buenos Aires.



The tragic figure of the sculptor Camille Claudel is receiving renewed attention, in books, exhibitions and on the screen. Page 9.

### General News

Israeli troops attacked a guerrilla base near Beirut. Page 2.

### Business/Finance

West German financial markets are anticipating an interest rate rise. Page 11.

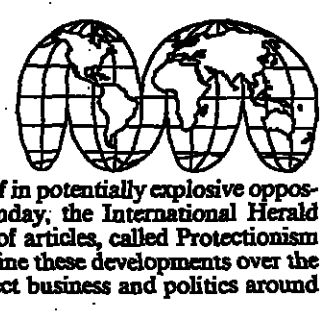
### Monday

Pressure on the dollar is a sign of anxiety about the future of U.S. policy under George Bush — in Personal Investing.

New from...

### Protectionism/Free Trade

The tension and confrontation of the GATT talks in Montreal have directed new emphasis at the developing problems of world trade. As at no other time in recent years, protectionist and free trade forces have squared off in potentially explosive opposing positions. Starting Monday, the International Herald Tribune will begin a series of articles, called Protectionism/Free Trade, that will examine these developments over the coming months as they affect business and politics around the world.



## Collapse of GATT Talks Imperils Trade Reform

By Reginald Dale

International Herald Tribune

MONTREAL — The collapse of the Montreal trade talks this week has derailed the most ambitious attempt in 40 years to rewrite the rules of the world trading system.

It has soured relations between the world's two largest traders, the United States and the European Community, and it has infuriated a large number of developing countries, particularly in Latin America.

But as disillusioned delegates left Montreal on Friday, many of them insisted that while the locomotive of trade reform had left the track, most of the boxcars it was pulling are still on the rails.

The major question left unanswered Friday was whether officials in Geneva can now get the train moving again by settling the major disputes that ministers failed to resolve in Montreal.

Above all, EC officials are now, perhaps vainly, looking to the incoming Bush administration in Washington to show greater flexibility than the representatives of the outgoing Reagan administration showed in Montreal.

The inability of the United States and the European Community to resolve their increasingly acrimonious conflict over trade in agriculture was the prime cause of what one senior official call the "fiasco" in Montreal this week.

After the bad temper and recriminations of the last few days, John Crosbie, the Canadian minister for

international trade, said Friday, "it is time for a cool re-examination" of the way ahead.

But neither Mr. Crosbie nor other ministers could hide the fact that

See GATT, Page 15

## African News by Africans: But When?

By James Brooke

New York Times Service

DAKAR, Senegal — The worst riots in 25 years shook Senegal in October. Yet for days, editors at the Pan African News Agency waited here for their Algerian member agency to file a report.

Finally, a telex machine clattered to life — with an Algerian government communiqué. "We can't sell silence," said Auguste Mpassi-Muba, the agency's Congolese director. "The one-party states always want to control information."

A decade ago, Mr. Mpassi-Muba and his colleagues were on the barricades of the battle for what they called "a new world information order."

They demanded an end to African dependence on Western news agencies for news about Africa, which they said was consistently negative and reflected the cultural biases of Western reporters.

Established by the Organization of African States, PANA largely draws its daily report from dispatches sent by the government press agencies of the 45 member nations.

and peoples resulting from partial and negative information published by the foreign press agencies."

"News on Africa, by Africans," was the slogan of the agency, known by its initials, PANA.

Five years after the first PANA dispatch left the newsroom in Dakar, Mr. Mpassi-Muba and his colleagues still level their rhetorical guns at the West's information and cultural "colonization" of Africa.

And they increasingly talk of a new, equalizing pressing need: "a new African information order."

"It is high time the official, controlled, censored, muzzled or partisan news given in Africa to news based on the diversity of opinions and ideas, with free access to the various sources of official and unofficial information," Mr. Mpassi-Muba said in a speech in Cairo in September.

At times, the omissions are glaring. In late August in Burundi, members of the

ruling Tutsi tribe massacred thousands of the country's Hutu tribesmen. Around the world, it was front-page news. But PANA's local member agency, Agence Burundaise de Presse, remained silent.

Last year, in an event that shocked Africa, President Thomas Sankara of Burkina was shot to death in a coup organized by his erstwhile friend, Blaise Compaore. PANA's member agency, Agence d'Information de Burkina, waited days before filing an article.

After five years in the business, editors at the agency also express disappointment that African governments have not matched their anti-colonialist oratory with rash.

In recent years, PANA has received an average of only 40 percent of dues owed by member countries.

But after an emergency meeting last summer, the payment of dues has risen to 75 percent.

In a seeming contradiction for an enterprise dedicated to ending Western domination, the African agency is increasingly dependent on money from Western sources — France, Italy and the European Community — along with various United Nations agencies.

## U.S. Pilot Saw Missile Hitting Plane in Sahara

Reuters

RABAT — The pilot of a plane on a mission for the U.S. Agency for International Development described Friday how a missile blasted a companion aircraft from the sky over Mauritania, seconds before his own plane was hit.

"I saw the right-hand engine of the first plane catch fire," the Moroccan press agency MAP quoted the unidentified pilot as saying. "It began to lose altitude and I saw its right wing breaking off. Thirty seconds later my plane was hit. I just had time to see the other one explode."

Five U.S. foreign aid workers were killed when the first DC-7 aircraft was shot down.

The pilot of the second DC-7 managed to land in Morocco without casualties.

The two propeller-driven, four-engine planes were hired by the U.S. government as part of a inter-

national campaign to combat locusts in the region. The aircraft were attacked 30 kilometers (30 miles) from the Mauritanian border with Western Sahara, where Marxist guerrillas of the Polisario Front have been fighting Morocco for independence for the past 13 years.

Four civilian aircraft were shot down over the Sahara earlier in the war between the Algerian-backed guerrillas and Moroccan troops for control of the former Spanish colony.

A Polisario representative in Algiers said he had no news of the missile attack on the two aircraft, but was seeking details from guerrillas in the field.

"Mistakes can be made, but until now we have nothing from our authorities," the representative, Saïd Malainine, said by telephone. "We

See PLANES, Page 2



# Israeli Troops Attack a Camp Of Palestinians Near Beirut

By Joel Brinkley  
New York Times Service  
JERUSALEM — Israeli ground troops landed by sea just south of Beirut and marched two miles inland on Friday to destroy parts of a Palestinian guerrilla headquarters before withdrawing. One Israeli officer and at least 20 Palestinians were killed. Four Israeli soldiers trapped inside Lebanon for several hours after the others had withdrawn were rescued by helicopter. It was the first ground attack in Lebanon since Israel's self-declared security zone on the border since 1982. Israeli officials insisted that it was only coincidental that the attack was carried out Friday as the Palestinians observed the beginning of second year of their intifada, or uprising. Israel had been aware of the target for a long time, but Major Moshe Fogel, an army spokesman,

said Israel chose to attack Friday only because "the physical conditions and the timing were right for the operation now." He said "there was no connection whatsoever" to the anniversary of the uprising. The target, the army said, was the main headquarters and training center for the Popular Front for the Liberation of Palestine-General Command, a small, radical Palestinian faction allied with Syria that carried out an attack by hang glider on an army base in northern Israel a year ago in which six Israeli soldiers were killed. The Popular Front, headed by Ahmed Jibril, is among the most extreme Palestinian factions. It refused to attend the Palestine National Council meeting in Algiers last month. The army said troops exchanged no fire with Syrian or other forces in the area. Dozens of Israeli troops — the

army would not give exact numbers — landed on the beach south of Beirut just before midnight, then marched two miles (more than three kilometers) inland to the town of Dowha. Lieutenant General Dan Shomron, the army chief of staff, said the troops, with assistance from helicopter gunships, surprised the guerrillas before dawn Friday morning. Several headquarters buildings were destroyed, and during the fighting Lieutenant Colonel Amir Meital of the elite Golani infantry unit was shot and killed. Three other Israelis were wounded. At the same time, Major Fogel said, at least 20 Palestinian guerrillas were killed, among them Abu Jamia, a senior Popular Front officer.

The Israeli forces attacked in groups of four, each with its own target, and after the targets were destroyed each of the groups marched back to the sea. Only when they had returned to the beach just before 9 A.M. did they discover that one four-man unit was missing.

General Shomron ordered the men back on the boats and then sent two Cobra attack helicopters to search for the missing men.

Eventually they were located: they had been alone, fighting Palestinian guerrillas, for several hours. The two small gunships landed beside them, and each of the four men clung to one of the copters' struts as the gunships took off again, then flew back to Israel.

Major Fogel said, "These forces were moving in heavy brush through difficult terrain at night, and these things can happen."

Israel took no prisoners in the operation, and by early in the day today all troops had returned to Israel.

The attack, Major Fogel asserted, "was part of our ongoing policy of striking terrorists wherever they may be," he said.

Shultz Expresses Surprise  
Secretary of State George P. Shultz said Friday he was surprised to learn that Israeli troops and warplanes had raided guerrilla bases in Lebanon. The New York Times reported from Brussels.

"I would have thought that, by this time, the Israelis would have learned their lesson about putting troops well inside of Lebanon," Mr. Shultz said. "It didn't work before, and I am surprised."

He made the comment at a news conference in Brussels after a two-day meeting of foreign ministers from members of the North Atlantic Treaty Organization.



Finance Minister Kiichi Miyazawa at a news conference after his resignation over a stock scandal.

## JAPAN: Miyazawa's Resignation May Aid Tax Plan

(Continued from page 1)

decision has confirmed what had been increasingly apparent in recent weeks, that Mr. Takeshita's long battle for tax reform, which he took up after two of his predecessors were defeated by it, will give his party a Pyrrhic victory at best.

National opinion polls show that Mr. Takeshita's personal popularity has fallen dramatically in recent weeks, because his reforms include a highly unpopular consumption tax and because the governing party has flouted public opinion by more or less openly manipulating a parliamentary investigation of the stock scandal.

Few political observers initially expected the share purchases to raise more than passing protests among most Japanese. Generating campaign funds through the stock market and through influence-seeking corporations has long been an accepted feature of the Japanese political scene.

In this sense, public ire over the stock affair is a measure of how rapidly the traditionally unquestioning attitudes of many Japanese are changing. It is ironic that this measure has been taken at the expense of a national figure known widely as one of the least-tainted "money politicians," as the nexus of power and finance is known in Japan.

Less measurable but equally significant will be the costs of Mr. Miyazawa's resignation overseas. A respected thinker and policymaker in international financial circles, he was among Japan's most articulate and effective symbols of its assumption of a new global role in such matters as exchange-rate management and Third World debt.

In the end, it was his active engagement in such international issues that led to his downfall. Absorbed in policy, he appears to have left the day-to-day management of his political life too heavily in the care of aides for whom money politics was more or less a way of life.

Apart from being linked to the scandal, Mr. Miyazawa has also been singled out because he has repeatedly changed his testimony in parliamentary hearings about his knowledge of his secretary's activities.

and whether he was aware of his ownership of 10,000 shares of Recruit Cosmos stock.

The former chairman of Recruit Cosmos, Hiromasa Ezoe, contradicted Mr. Miyazawa's testimony when he testified that a Recruit Cosmos financing unit had lent the minister's secretary funds to purchase the shares.

It also is believed that these funds were made available through one of Mr. Miyazawa's political support groups.

Opposition parties, which were divided when Mr. Takeshita pushed his tax package through the lower house several weeks ago, united again this week in demanding evidence from Mr. Miyazawa on these two points. If true, they would virtually confirm that the stock was offered as a bribe, even if he could claim it was not taken as one.

With his departure, Mr. Miyazawa is unlikely to provide the information opposition legislators have demanded. But analysts were uncertain as to whether the opposition parties would soften their approach in a parliamentary investigation of the Recruit Cosmos affair or begin to focus on other prominent Liberal Democratic members.

Mr. Takeshita will assume the finance portfolio until the cabinet is reshuffled, likely at the end of the year. The two men most widely mentioned to replace Mr. Miyazawa are Tatsuo Murayama, a senior adviser on tax issues and former finance minister under Prime Minister Takeo Fukuda, and Mr. Abe, the party secretary-general.

Apart from the finance minister, others who have resigned over the Recruit Cosmos affair include two senior newspaper executives, an opposition legislator, a deputy minister of education, and members of the Kawasaki and Yokohama municipal governments in suburban Tokyo.

Among senior politicians, Mr. Nakasone is viewed as the most vulnerable to the parliamentary investigation or to an independent inquiry by the office of the Tokyo district prosecutor.

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## Greek Decision to Free Suspect 'Shocks' Shultz

By David B. Ottaway  
Washington Post Service  
BRUSSELS — The U.S. secretary of state, George P. Shultz, said here Friday that he was shocked and outraged by the Greek government's decision to free a suspected Palestinian terrorist wanted in Italy in connection with an attack on a Rome synagogue in 1982. Speaking at a news conference at a meeting of the North Atlantic Treaty Organization, Mr. Shultz said, "When a known terrorist like this is released it's shocking. I can only have a sense of great disappointment and a kind of outrage about it."

He referred to the Greek government's decision Tuesday to free Abdel Osama Zomar to Libya rather than turn him over to Italian authorities to stand trial on the synagogue attack.

A two-year-old child was killed in the grenade attack and 37 other persons injured. U.S. officials have been particularly disturbed by the Greek action because it appeared to lay the groundwork for a likely Greek refusal to extradite to the United States another Palestinian suspected terrorist, Mohammed Rashid.

U.S. authorities believe Mr. Rashid was involved in the bombing of a Pan American World Airways plane over Honolulu in 1984. They also believe Mr. Rashid was an operative for a terrorist group led by Abdullah Abdul Hamid Labib, also known as Colonel Hawari, who belongs to a faction of the Palestine Liberation Organization led by its chairman, Yasser Arafat.

A State Department spokeswoman, Phyllis Oakley, made it clear Thursday that the United States was not like the stated Greek basis for deporting Mr. Zomar to Libya rather than to Italy.

She said, "The explanation offered by the Greek justice minister that an armed attack on a synagogue and a murder of a two-year-old child would — and I quote — 'fall within the domain of the struggle to regain a homeland,' and are therefore not crimes — that is deplorable."

Mr. Zomar, arrested in 1982, had already served two consecutive 20-month prison terms, one for smuggling weapons into Greece and the other for concealing a weapon.

EC Discusses Terrorism  
The interior ministers of the 12-member European Community, as well as senior U.S. officials, have convened in Athens to discuss coordination of anti-terrorism measures. The New York Times reported Thursday from Athens.

Western diplomatic officials said the assembly would primarily deal with problems that have arisen concerning the extradition of suspected terrorists.

## NATO: Shultz Warns on Strength

(Continued from page 1)

led eventually to the U.S.-Soviet agreement last year on banning all such weapons.

"We want to stick with a formula that's worked," he said. Mr. Shultz came to a press conference at the end of a two-day NATO foreign ministers conference armed with statistics to defend the need for a continued strong NATO military posture.

He said that even after the Soviet reductions of 500,000 men and 10,000 tanks, the asymmetries between NATO and Warsaw Pact military strength would remain enormous.

In numbers of divisions, Mr. Shultz said, the Warsaw Pact superiority over NATO forces before the announced Soviet cuts was 2.99 to 1. After the cuts, which are to include the dismantling of six tank divisions, he said the ratio would be only slightly less — 2.91 to 1.

In numbers of tanks, the ratio would change from 2.76 to 1 before to 2.18 to 1 after, while for artillery it would shift from 2.30 to 1 before to 1.74 to 1 after. In the case of aircraft, the Warsaw Pact edge, now 3.20 to 1, would become 3 to 1, Mr. Shultz said.

He said these continuing imbalances were the reason for the new NATO approach toward conventional arms talks that was outlined in Brussels on Thursday in quick response to Mr. Gorbachev's arms reduction announcement.

The NATO plan calls for an overall limit on armaments in Europe from the Atlantic to the Russian Urals, cutting tank forces for both NATO and the Warsaw Pact by almost half to 40,000. The Sov-

## PLANES: Missile Hits DC-7

(Continued from page 1)

et Union would have to demolish another 15,000 tanks to meet the calling proposed by NATO of 12,000 tanks for any one country.

Under the plan, Western forces would only have to be reduced about 5 percent in the various arms categories, according to U.S. officials.

NATO foreign ministers also issued a final communiqué calling Mr. Gorbachev's announcement of the planned arms cuts "among the most promising recent developments" in the trend of improved East-West relations.

The Gorbachev announcement, the communiqué said, represented "the starting point of a new approach by the Soviet Union to the size and structure of their military forces and program."

Left unclear was when new East-West talks on conventional arms would get under way and when the Conference on Security and Cooperation in Europe, which began in 1986, would end its work in Vienna. The conference has been stalled over human rights issues and the wording of a final document.

Mr. Shultz said that NATO now had a basic approach toward the talks on conventional arms ready, with the outline of its arms reductions proposal presented in Brussels on Thursday.

The NATO statement said that the alliance would continue to strive for a end to the Conference on Security and Cooperation in Europe, an alliance prerequisite for starting the new conventional arms talks "as soon as possible."

But referring to the main holdup from the NATO viewpoint, it said that the alliance noted "with regret" that a number of East-bloc nations continued to fail to live up to their obligations under the 1975 Helsinki Final Act, including "full respect for human rights."

## PLANE: Missile Hits DC-7

(Continued from page 1)

are going to do all possible to throw light on this incident.

"The Polisario Front," he said, "can stress it has no interest at all in creating problems of any kind with the United States, which can and should contribute to a peaceful solution of the conflict."

Diplomats in the Moroccan capital, Rabat, said they had little doubt that the plane was shot down in error by the Polisario.

They said the attacks could increase pressure for a United Nations-mediated cease-fire to take effect without direct talks. King Hassan II of Morocco has rejected Polisario demands for talks.

Both sides have accepted in principle a UN peace plan involving a referendum offering the Saharan people a choice between independence or integration with Morocco. Talks on how to organize such a vote are to begin next week in Geneva.

A U.S. Embassy spokesman in Rabat said the two aircraft were flying north from their bases in Dakar, Senegal, to Agadir on Morocco's Atlantic coast at about 3,000 meters, along an internationally recognized air corridor.

He said a team of USAID workers had gone to Agadir to investigate the deaths. The second plane was hit in a port engine, but managed to land at the coastal town of Imlil after a low-altitude flight.

Algeria restored diplomatic relations with Morocco in May and diplomats say Algeria has since sought to loosen its ties to the Polisario.

The guerrillas launched a major attack on Morocco's defense lines in September. The offensive was believed to have been organized from Mauritania territory.

Planes Leased in U.S.  
Earlier, Steven Engelberg of the New York Times reported from Washington.

John Wilkinson, special assistant to the deputy administrator of USAID, said the planes were leased from T&G Aviation of Chandler, Arizona.

He said the planes had been under contract for two years and said they had no connection to any American intelligence operations.

According to the London-based International Institute for Strategic Studies, the Polisario guerrillas are armed with Soviet-made SA-7 and SA-6 anti-aircraft missiles. The shoulder-fired SA-7 is typically not effective above about 3,000 meters, but the SA-6, which is mounted on trucks, can strike targets at higher altitudes.

## QUAKE: Death Toll in Armenia May Reach 100,000

(Continued from page 1)

Vozenesky said at a news conference in Moscow that it was still impossible to give an accurate death toll.

But he added: "To my view, the figure will be very high. We already have a more or less accurate picture of the places that have collapsed and are in ruins. In those ruins we hear screams, and every hour the screams are fewer and fewer."

The outlook for people buried in rubble in towns and cities throughout northwest Armenia is grim. The first deputy health minister, Igor Denisov, said that he assumed most people in the debris were badly injured and might not survive long in the cold.

More than 12,000 Soviet troops, many of whom were already in the region to help quell the violence between Azerbaijan Muslims and Armenian Christians, are now working on the rescue effort, according to military sources.

Government spokesmen said that in addition to help from all 15 Soviet republics, Moscow has accepted aid from France, Britain and elsewhere.

The rescue effort, however, has been hampered by poor equipment and roads, which have prevented rescue teams and cranes from arriving quickly where they are needed. Newspapers said that the lack of roads in the area have slowed the arrival of blood and medical supplies.

Mr. Vozenesky said the government had "nothing to hide" about the earthquake and was trying to give out as much accurate information as possible.

A small group of reporters has been given permission to travel to Armenia on Saturday, and a larger delegation of Western correspondents may be allowed to visit the region early next week.

"This is the first time we've had such a calamity in our generation," Mr. Vozenesky said. "Maybe this will turn out to be a grim lesson for us, and we will one day have a quicker operation system. In every respect, even on the informational side, we are not prepared for such a disaster."

The Armenian earthquake is the most calamitous in the Soviet Union since one in the Turkmenian city of Ashkhabad killed 110,000 people in 1948.

In Leninakan, Komsomolskaya Pravda said, high-rise buildings have been reduced to "broken bricks and heaps of mud." People roamed the streets in shock and "warned themselves by fires in the cold mountain night."

Stroessner Defied on Rights  
ASUNCION, Paraguay — Paraguayan opposition groups, openly defying President Alfredo Stroessner, plan to go ahead with a human rights march Saturday despite a government ban and the arrests of 25 leaders.

## DEFEAT: Soviet Generals Lose

(Continued from page 1)

Foreign Ministry spokesman, Genadi I. Gerasimov, denied that Marshal Akhromyev's departure was related to Mr. Gorbachev's rejection of the chief of staff's views. But some experts found significance in reports in Moscow that General Ivan Morozov, a commander of the Odessa Military District, might be Marshal Akhromyev's replacement.

Without confirming General Morozov's appointment, Mr. Gerasimov described him as "an outstanding, rising military star," who, because of his age, did not participate in World War II.

Marshal Akhromyev, in contrast, was described this week by Admiral William J. Crowe Jr., the chairman of the U.S. Joint Chiefs of Staff, as someone "very heavily conditioned in his views by his participation" in the war, in which German tanks proved nearly unstoppable.

Although Mr. Gerasimov said that General Yarov would stay on as defense minister, the general also is regarded as a figure from a military era that Mr. Gorbachev seems intent on ending. Two months ago, in an article published by the Bulletin of the Atomic Scientists, General Yarov equated U.S. demands for unilateral cuts in Soviet forces with a "striving for future supremacy over the Warsaw Pact."

What remains unclear is the price Mr. Gorbachev may have had to pay to obtain the military's acquiescence. Some Soviet experts have described the extensive Soviet buildup of strategic nuclear forces in the 1960s and 1970s as the price for Mr. Khrushchev's deep troop cuts of the late 1950s. Later, additional deep cuts announced by Mr. Khrushchev were canceled, and opposition to the cuts has been cited as a factor that may have contributed to his overthrow in 1964.

The editor of a prominent Moscow publication suggested that Mr. Gorbachev might have promised military officials that he would spend some of the expected savings from the cuts on better military training and equipment, including computers.

## WORLD BRIEFS

### Pilot Error 'Speculation' in Jet Crash

BONN (UPI) — Lieutenant General Horst Jungkurth, the West German Air Force chief of staff, said Friday the pilot of a U.S. Air Force A10 Thunderbolt II that crashed into a residential area Thursday might have lost his orientation as he climbed to get out of fog. The pilot, Captain Michael P. Foster, 34, and four residents of Remscheid, a city 65 kilometers (40 miles) north of Bonn, were killed when the anti-tank jet plowed through 20 houses. Fifty people were injured, a police spokesman said.

General Jungkurth said at a news conference that he based his "speculation" that pilot error might have caused the accident on the fact that the Thunderbolt is the safest U.S. Air Force plane and chances of a technical fault were very small.

### Pope Condemns Terrorist Groups

VATICAN CITY (AP) — Pope John Paul II urged Friday that the rights of minorities be respected but condemned any recourse to violence to advance their claims and assailed terrorist groups that act in their name.

In his message for the Roman Catholic Church's World Day of Peace, which is observed Jan. 1, the pope said: "May those who follow the inhuman path of terrorism hear my voice: To strike blindly, kill innocent people or carry out bloody reprisals does not help a just evaluation of the claims advanced by the minorities for whom they claim to act."

Although Vatican officials said the message had not been directed at any specific ethnic, racial, religious or national group, the pope said that "delicate problems arise" when a minority seeks independence or greater political autonomy. "In some situations of conflict, terrorist groups unduly arrogate to themselves the exclusive right to speak in the name of a minority, depriving it of the possibility of freely and openly choosing a solution without intimidation."

### Hacker Enters U.S. N-Data Computer

LIVERMORE, California (UPI) — A computer hacker who penetrated systems at the Lawrence Livermore National Laboratory eight times in the past week has given himself "super-user" status and has the power to roam through some unclassified systems at will and destroy data, according to lab officials.

Officials at the lab, where U.S. nuclear weapons and parts of the Strategic Defense Initiative anti-missile system are designed, said the most recent incident occurred Wednesday night. The hacker has exploited holes in the Unix operating system, the basic program that controls many U.S. research computers.

The Cray supercomputers used to design nuclear bombs are physically and electronically isolated from the main systems and are not involved in the breach of computer security, officials said. While lab security officials are working to plug the holes that have allowed the hacker to obtain unauthorized access, they are also deliberately leaving some computer vulnerable in an attempt to catch the hacker, much the same way police use telephone taps.

### Spain Adopts European-Width Rails

MADRID (AP) — The government decided Friday to adopt the standard European width for Spanish railroad tracks, a move that will allow trains from the Iberian peninsula to roll straight into Western Europe for the first time.

The decision is aimed at facilitating the modernization of the country's railroad system and to clear the way for completion of high-speed train links with Europe by 1992. Officials said the cabinet gave the green light for the first phase of the changeover to the narrower European tracks to permit the construction of a high-speed rail line from Port Bon, on Spain's northern border with France, to Barcelona, Madrid and Seville.

The government is expected to award next week a major contract to build Spain's first high-speed train system. French, West German and Japanese firms are competing for the contract.

### For the Record

Sweden's latest combat aircraft, the Gripen, flew its maiden flight Friday, 18 months behind schedule and facing government threats to abandon it because of escalating costs. A consortium of four Swedish companies have joined in the 42 billion kronor (\$7 billion) project. (AP)

Jean-Louis Chérel of France has become the first West European to walk in space. Tass said Mr. Chérel, who was launched with a Soviet crew two weeks ago for a mission on the space station Mir, stepped outside to install a solar panel. (Reuters)

### TRAVEL UPDATE

#### Paris Métro Riders Grow Impatient

PARIS (AFP) — Paris commuters, hard hit by a month of partial strikes on the Métro and the rapid transit system, Friday showed signs of growing impatience as groups gave up waiting at stations and started walking along the tracks instead.

Electricity on some lines had to be switched off for fear of people touching the live rail, causing further delays to trains, the management said. In other cases, faced with carriages packed to capacity, passengers attempted to ride on the bumpers separating the cars, the management added.

The incidents were the first reported since irregular strikes have brought chaos to Paris transit, at times closing down some lines and slowing others. On Friday, two lines out of the 13 in Paris were closed, five were subject to delays and the rapid transit suburban lines that carry a million passengers a day were virtually paralyzed. Three buses out of four were functioning.

Malta's main port of Valletta was still closed and no flights left the island Friday morning as it started cleaning up after the worst storm in years. Buildings were damaged and thousands of trees uprooted. An Iranian bulk carrier was aground in Grand Harbour and two other ships broke their moorings before they were secured. (Reuters)

Burma reopened to tourism Friday. Rangoon stopped issuing tourist visas in August following more than a month of nationwide mass protest marches for democracy, which paralyzed the military-backed government. About 50 tourists of various nationalities will visit Burma this month on package tours with strictly controlled itineraries. (AP)

Fights by Italian airlines to and from Rome's Fiumicino Airport were expected to be halted for 24 hours from 9 P.M. on Friday because of a strike by pilots, Alitalia said. It would not affect other Italian airports or foreign carriers using Fiumicino, the airline added. (Reuters)

### Americans Still Obligated To Get Visas for France

By Barry James  
International Herald Tribune

PARIS — Although the French government has lifted visa requirements for the citizens of Western European countries outside the European Community, there were no indications Friday it also intended to lift the requirement for Americans soon.

A U.S. Embassy spokesman said a formal offer made by the U.S. government in September to lift visa requirements unilaterally was still in effect, but that there had been no reply from France. The United States offered to put France on the same level as Britain and Japan, whose citizens do not need visas for short trips.

At the end of last month, Tourism Minister Olivier Stain said France was expected to end the visa requirement by the end of this year. Earlier this week, Mr. Stain said the visa requirements would be "relaxed" for all countries belonging to the Organization for Economic Cooperation and Development, in other words all the major developed nations.

But Mr. Stain was immediately slapped down by Prime Minister Michel Rocard, whose office said the requirements would be lifted only "when conditions permit."

The announcement Thursday by the Foreign Ministry that France would no longer require visas of citizens from the member countries of the Council of Europe, with the exception of Turkey, therefore took diplomats by surprise.

According to diplomatic sources, France was seriously concerned by threats by some members of the 21-nation Council of Europe to pull delegates out of Strasbourg, the council's headquarters, unless the requirement were lifted.

"The requirement was certainly a big mistake," a Swedish official said. "It cost money and it irritated people who had been traveling to France sometimes for decades without a visa."

France introduced the visa requirement following a wave of bombings in Paris in September 1986 in which 11 persons were killed. Only citizens of the European Community along with neighboring Switzerland and Liechtenstein were exempted. The new measure also exempts citizens of Austria, Cyprus, Iceland, Malta, Norway and Sweden, but not Turkey.

The Foreign Ministry argued that to lift visa requirements only for the industrialized nations would create serious diplomatic difficulties with countries in the Middle East, Africa or elsewhere in the Third World, which might claim they were being discriminated against.

In the end, the sources said, Mr. Mitterrand out through the argument by lifting the restrictions only for fellow Western Europeans.

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**AMERICAN TOPICS**  
Label Suits Fading, Press Survey Finds  
The steady rise in the number of label suits filed against major news organizations has suddenly changed. The New York Times reported. A survey of 31 newspapers and broadcasters by the Society of Professional Journalists showed that the number of new label suits filed since late 1986 had declined appreciably in large part because of the failure of the plaintiffs to prove in some highly visible cases. In the past four years, the number of label suits against major metropolitan newspapers has declined 17 percent compared with the previous four years, according to Mutual Insurance Co. of Bermuda, a leading insurer.

The journalists' survey attributed the decline to three highly publicized cases: the claim by the former Israeli defense minister Ariel Sharon, against Time magazine; General William Westmoreland's suit against CBS report that he falsified enemy troop figures; and the suit by the Vietnam and the suit by the former president of Mobil Corp., William T. Warriner, against The Washington Post. All three suits were expensive and ultimately unsuccessful, the survey said, resulting in a "chilling effect on potential label plaintiffs."

But news organizations have a new worry, the survey said: the growing tendency of judges and other officials to block access to public records and to meetings of public officials. Paul K. McManister, chairman of the society's freedom of information committee, said two new officials felt "that the national they are caretakers for belongs to them and not to the public."

**Short Take**  
It is better to give than to receive, especially if what you give is a headache. An American Express survey of 1,000 Americans nationwide found that the headache was chosen most often from a list of "worst Christmas gifts. It even

**NASA Found No On Discovery**  
WASHINGTON — Solid rocket boosters used to launch the space shuttle Discovery in September were "as expected," an official of the National Aeronautics and Space Administration said Friday. Dave Mitchell, manager of the solid rocket booster program at the Marshall Space Flight Center in Huntsville, Alabama, said the O-ring seals showed no signs of leaks and no those that occurred during the shuttle's launch of Challenger in 1986.

He said that when the rocket boosters from Discovery were taken apart, engineers found no problems and concluded that the motors would be fine.

"We're very happy with these boosters," Mr. Mitchell said.

**Sign-off**



## AMERICAN TOPICS

### Libel Suits Fading, Press Survey Finds

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All three suits were expensive but ultimately unsuccessful, the study said, resulting in "a chilling effect on potential libel plaintiffs."

But news organizations have a new worry, the survey said: the growing tendency of judges and other officials to block access to public records and to meetings of public officials. Paul K. McManis, chairman of the society's freedom of information committee, said too many officials feel "that the material they are caretakers for belongs to them and not to the public."

### Short Take

It is better to give than to receive, especially if what you give is a fruitcake. An American Express survey of 1,000 Americans nationwide found that the fruitcake was chosen most often from a list of "worst" Christmas gifts. It even

finished ahead of "no gift at all," the second choice for bad presents. Fruitcake was picked as the worst gift by 31 percent, "no gift" by 18 percent. Anything that has to be assembled was third on the list of bad ideas, followed by damaged gifts, another tie or blouse, and a gift that needs but lacks batteries. Most of those surveyed said they would hide an undesirable gift, return it or give it to someone in need. Only 9 percent said they would try to fob it off on someone else as a Christmas present.

**Shorter Takes:** After being arrested in Atlantic City, New Jersey, on drug charges, Sergeant Lionel R. Maynard of nearby McGuire Air Force Base was notified that he had won the state lottery. He posted a \$2,900 bond and bailed himself out. Police in Tulsa, Oklahoma, said they besieged the wrong house when told a man was holding a woman at knife point. The man tried repeatedly to surrender but the police, taking him for a nosy neighbor, kept waving him away. Another neighbor finally alerted officers to their error.

### Notes About People

Kitty Dukakis is reported about to sign with Simon & Schuster for a book recounting her experiences in her husband's unsuccessful campaign for the presidency.

Instructing high school cooking students in Cambridge, Massachusetts, Julia Child, the television chef, remarked that she disliked frozen spring beans, blackened fish and Cajun food in general. She advised her pupils to practice, practice, practice and to eat in the best restaurants possible. "I think cooking is a jolly profession," she added. "I've been cooking for 40 years, and there's still so much to learn."

The Pulitzer Prize-winning playwright, Edward Albee, recalled that he was expelled from several private schools before graduating from Choate, remarked of one school, Valley Forge Military Academy in Pennsylvania, that "they only offered two courses, sadism and masochism, and these were not electives."

Arthur Higbee

## Democrats Get Policy Advice

By Tom Redburn

WASHINGTON — Two leading Democrats, Senator Bill Bradley of New Jersey and Governor Mario Cuomo of New York, emerged this past week with proposals designed to shape the emerging economic policy debate and help revive their party's lagging political fortunes.

The comments by two men often cited as potentially strong presidential candidates come a month after the Democrats' third presidential election defeat in a row. Mr. Bradley, a pioneer in tax reform and in developing new proposals for Third World debt relief, proposed in a speech Thursday night in New York that the United States should move quickly to form a more closely knit economic coalition with seven other generally free-market nations on the Pacific Rim.

Recalling his days as a professional basketball player, Mr. Bradley called for a "Pac-8" of the United States, Japan, Canada, Australia, Mexico, South Korea, Indonesia and Thailand to develop a high-level official forum where they could work together "to address the main threats to our economic security."

But instead of attempting to form an exclusionary trading bloc, a threat that many fear is emerging out of Europe's plan to tear down all internal trade barriers by 1992, Mr. Bradley contended that the "dominant task should be to strengthen the multilateral system" under which most non-Communist nations have operated since the end of World War II.

The goal of such a new approach, Mr. Bradley suggested, would be to ensure that the United States does not lose out to Japan in its ability to take advantage of the burgeoning economic growth in the Pacific Basin.

Mr. Bradley proposed three specific tasks for the Pacific coalition, which he called a "microcosm of the world." He recommended that the eight nations develop a consensus position on farm and natural resource trade issues to present a common front in the current round of global trading negotiations. He also proposed that they establish a "Pacific currency regime to reduce year-dollar volatility," and he urged a new framework for aiding debtor nations, with particular emphasis on restoring economic growth in Mexico.

Meanwhile, Mr. Cuomo, in a speech in New York, recommended that Democrats in Congress should go along — for one year — with President-elect George Bush's effort to reduce the budget deficit without a tax increase.

But, in return, he suggested they should demand that the Gramm-Rudman budget law, which calls for a balanced budget in four years, be modified so that in future years its automatic trigger mechanism would also include a method of imposing higher taxes along with spending cuts.

He contended that Mr. Bush's proposed "flexible freeze" on spending cannot work without causing "draconian and undesirable cuts in badly needed domestic

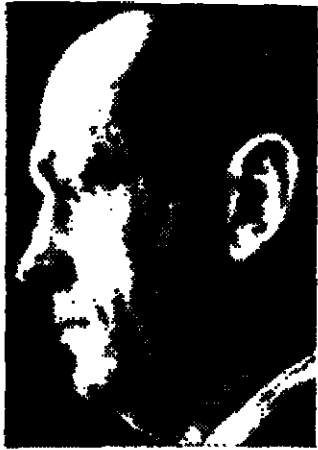
programs" and in defense systems already in production. But Mr. Cuomo nonetheless proposed that Congress should work with Mr. Bush to implement spending cuts that would at least get next year's deficit under the \$110 billion ceiling called for by the budget law.

One way to force the White House to bargain on equal terms with Congress, he said, would be by adding a trigger tax to Gramm-Rudman that would make it "a more potent weapon — and therefore a sharper incentive."

The proposal, Mr. Cuomo said, should be modeled on an earlier,

forgotten contingency tax plan reluctantly proposed by President Ronald Reagan in 1983 that called for a 1 percent surtax on income and higher excise taxes if spending cuts and faster economic growth alone did not significantly shrink the deficit.

Mr. Cuomo said that he hoped his proposal would mean that the "Gramm-Rudman gun is never fired," but, if it ever is, half the burden of narrowing the budget gap should be carried by higher taxes, with the other half shared equally between defense and domestic spending cuts.



Senator Bill Bradley

## A Tug-of-War Over Nobel Winners

### Competing U.S. Dinners for Laureates Stir Acrimony

By Irvin Molotsky

WASHINGTON — Two competing dinners for American winners of the Nobel prize, one in New York, one in Washington, have created acrimony sharp enough to suggest that anyone who could mediate the dispute might qualify for one of the peace prizes.

"It is very sad," said Wassily Leontief, a Nobel laureate in economics and a professor at New York University, who said he had chosen not to take part in the Washington celebration. "It is bad for this country and its standing abroad."

Mr. Leontief said the event in Washington was undignified and a publicity device to attract corporate sponsors through association with Nobel winners.

The Washington event, which was to be held Friday night, is neither connected to the Nobel Committee in Stockholm nor sanctioned by it.

The two U.S. dinners precede the royal award ceremony in Stockholm on Saturday, when this year's Nobel prizes will be distributed.

Among Mr. Leontief's complaints about the Washington celebration is the entertainment, which includes the winner of the 1988 Miss America contest, Gretchen Carlson, playing the violin.

"This is a scandal," he said. "There should be dignified en-

tertainment, a first-class string quartet, not Miss America."

On the opposite side is Henry A. Singer, the organizer of the Washington celebration, who called Mr. Leontief "an old curmudgeon, in his dotage." Mr. Singer defended the selection of Miss Carlson, who will provide the entertainment along with Steve Allen, the comedian and pianist.

"Miss America is an excellent role model for young women," Mr. Singer said. "She has not just beauty, but talent. She was an honor student at Stanford, studied a year at Oxford, has been accepted at Harvard Law School and is a classical violinist."

While the Washington dinner is going on, the Swedish consul general in New York, Arne Thoren, will be holding a dinner in his apartment for American winners of the Nobel prize.

Mr. Leontief, the 1973 winner of the Nobel Prize in Economics, said the Washington dinner was a "publicity stunt."

Mr. Singer said his group, the American Nobel Anniversary Committee, was founded in 1942 by Albert Einstein and that it had never put itself forward as being sanctioned by Stockholm.

When told that Mr. Leontief had complained that industrialists seemed to predominate in the organization, Mr. Singer said: "Nobel was an outstanding businessman as well as a scientist. It is a snobbish, elitist view to object to business."

## Diarrhea Remains Major Child Killer

By William K. Stevens

New York Times Service

NEW YORK — Diarrhea, an easily treated illness not thought to be a major cause of death in the United States or other developed countries, kills hundreds of infants in the United States each year, most of them in the South, according to a surprising new study by the Centers for Disease Control in Atlanta.

"I was astonished" at the findings, Dr. Mei-Shang Ho, an epidemiologist who directed the study, said. Diarrhea is a major killer in the Third World, where an estimated 4.5 million children die from it each year. That mortality toll is exceeded only by deaths from respiratory illness.

But this study is the first indication that deaths from diarrhea "constitute an important and preventable fraction" of infant mortality in the United States, the investigators said in the report of their study, which appears in Thursday's issue of the Journal of the American Medical Association.

The study found that from 1973 through 1983, 5,539 American children 1 month to 4 years old died from diarrhea. That is an average of 504 a year, although the number of deaths declined gradually from 719 in 1973 to 372 in 1983. About 200,000 children under five are hospitalized each year because of diarrhea, according to Dr. Ho.

While diarrhea accounts for only

a small proportion of all infant deaths and the number of such deaths appears to be dropping, the study report says, diarrheal deaths nevertheless "deserve special attention" because "preventable measures for acute diarrheal deaths are well-known and readily available."

The primary treatment for diarrheal disease is called oral rehydration therapy, a simple and well-known measure used widely around the world. It does not treat the disease directly by attacking the viruses, bacteria or protozoa that cause diarrhea. Rather, it resupplies the body with water, sugar, sodium and potassium. It is the massive loss of these elements that accounts for most diarrheal deaths.

The ingredients come either in small packets to be dissolved in water, or in bottles, already mixed. They are inexpensive and readily available over the counter in any drugstore, Dr. Ho said.

The Centers for Disease Control study found that most of the diarrheal deaths occurred in the South, that they reached a seasonal peak in the winter, and that they were caused primarily by a viral pathogen called rotavirus.

Black infants were four times more likely to die of diarrhea than were white infants, the study found.

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### Report Is Issued On Rights Abuses

Reuters

WASHINGTON — The Soviet Union, South Africa, Chile, Czechoslovakia and the Philippines were the year's worst offenders among 61 nations named in a report detailing abuses of human rights monitors.

The report by Human Rights Watch said that despite improvements under President Mikhail S. Gorbachev, the Soviet Union still "loomed large" among those countries that harassed monitors — journalists, lawyers, clergy, government officials and others who watch for and report repressions of human rights.

## NASA Found No Seal Leaks On Discovery Shuttle Flight

The Associated Press

WASHINGTON — Solid rocket boosters used to launch the space shuttle Discovery in September worked "as expected," an official of the National Aeronautics and Space Administration said Friday.

Royce Mitchell, manager of the solid rocket booster program at the Marshall Space Flight Center in Huntsville, Alabama, said the O-ring seals showed no signs of leaks such as those that occurred during the disastrous launch of Challenger in 1986.

He said that when the rocket motors from Discovery were taken apart, engineers found no problems and concluded that the motors worked as planned.

"We're very happy with these motors," Mr. Mitchell said.

Engineers did find that gas seeped between panels of material in the nozzle of one of the two boosters, but Mr. Mitchell said this sort of leak was not a problem.

He said the nozzles of the solid rocket boosters were lined with panels of ablator, a material that is designed to burn away during the firing of the rocket. This action keeps extreme heat from penetrating the interior of the rocket nozzle.

Between the panels of ablator, Mr. Mitchell said, engineers designed a small gap to allow for thermal expansion of the material.

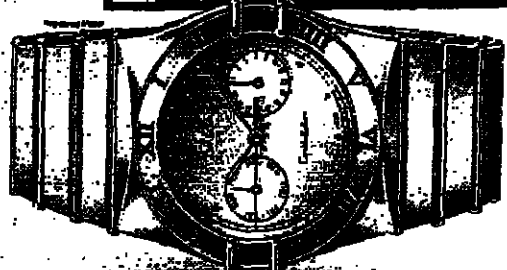
"As just one more little protection," he said, an RTV, or Room Temperature Vulcanizing, silicone is injected. "From time to time, we get some gas past this thermal filler," he said.

### Swiss Warn of Avalanches

The Associated Press

DAVOS, Switzerland — The Swiss Avalanche Research Institute issued Friday an avalanche warning for much of central and eastern Switzerland following days of heavy snowfall in the Alps.

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# INTERNATIONAL Herald Tribune

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## Afghanistan: Just Get Out

Mikhail Gorbachev pronounces it "obvious" that "the threat or use of force no longer can or must be an instrument of foreign policy," and many people are hailing his statement. The first and best place to look to see how deep Soviet commitment is to that high principle, however, is Afghanistan. There the Soviet Union has used force as an instrument of its foreign policy for nearly a decade, to murderous effect. The United Nations would have been a fine forum in which to report that the Soviet Union is ending that policy. Instead Mr. Gorbachev announced a new set of proposals whose effect could be to prolong it.

Everything the Soviet leader said sounds plausible enough. There should be a cease-fire on Jan. 1, a mutual cutoff of arms supplies by Moscow and Washington, a United Nations peacekeeping force on station while a broad-based government is formed and an early international conference held to neutralize and demilitarize Afghanistan. But this plan sweeps blithely by the prior Soviet pledge, at Geneva, simply to get out of the country by Feb. 15. The new plan is a form of relief to the Kabul

regime, some piece of which the Soviets evidently would like to see survive at least for a while after their troops leave. But it is precisely the Soviet effort to prop up a regime without its own popular base that is the principal cause of the continuing violence in Afghanistan. The kind of political settlement Moscow wants is a recipe for more war.

It is not clear whether Mr. Gorbachev is setting new conditions to Soviet withdrawal or whether he has another strategy in mind. In any event, the single thing most Afghans want from Moscow is for it to leave them alone. The Soviet Union has already begun talks with the Afghan resistance in which its minimal purpose apparently is to ensure its troops a safe exit; in return it is in a position to stop bombing Afghan cities. The resistance, divided as it is, is the likeliest source of a successor government in Kabul. These are the people the Soviets must accommodate if they wish to exercise any lingering influence in the country. It is not only late in the day but beside the main point to bring up a whole new set of diversionary proposals. The operative word is "out."

—THE WASHINGTON POST.

## Alfonso's Rocky Ship

When a country's recent history has been as turbulent as Argentina's, it is unreasonable to expect the transition to democracy to be smooth or easy. The crucial thing about the military revolt there over the past week is that it failed. It was the third of these mutinies in the past 20 months, or perhaps the third episode in the same continuing mutiny. Once again only a few hundred men followed the colonel who instigated it. Once again the rest of the army refused to join. They also refused to attack the rebels, but stood aside passively while the affair lost momentum and collapsed.

The most moving and heartening moment in this drama was the outpouring of tens of thousands of Argentines last Saturday night in front of the national Congress in support of the democratic government that has ruled them for the five years since the military junta fell. The crowd was responding to appeals from all of the country's major political parties. If anyone doubted the depth of public support for an elected government that respects human rights, the question was settled that night. The size of the gathering and the unanimity of the parties were the most serious kind of warning to ambitious military officers who might have been tempted to join the rebels. The leader of the mutiny said at one point that his purpose was to "restore military honor" to the army. Some of the military officers vehemently resent the civilian government's persistence in prosecuting the systematic use of torture, and for thousands of weeks it failed. It was the third of these mutinies in the past 20 months, or perhaps the third episode in the same continuing mutiny. Once again only a few hundred men followed the colonel who instigated it. Once again the rest of the army refused to join. They also refused to attack the rebels, but stood aside passively while the affair lost momentum and collapsed.

President Raúl Alfonsín has again restored order with minimal bloodshed. There is much speculation in Argentina as to whether he negotiated with the rebels, as he pledged not to do. Apparently there were conversations through intermediaries; since the loyal units of the army refused to attack the rebels, it could hardly have been otherwise. But there is no sign so far that he gave away anything substantial.

Argentine democracy, despite this victory, can hardly be described as secure. Mr. Alfonsín's term is ending, and no doubt there will be other crises before the presidential election in May. But civilian rule has now prevailed against this third and most dangerous of the military rebellions, with a showing of public support that may actually have left it stronger than before.

—THE WASHINGTON POST.

## The Van Buren Parallel

President-elect George Bush celebrated on Wednesday his most memorable blunder as a candidate by throwing a party for 90-odd reporters who covered his every move during the presidential campaign.

The blunder was his ringing declaration on Sept. 7 that "47 years ago from this very day we were hit and hit hard in Pearl Harbor." The right date, of course, was Dec. 7, and that was the good-natured reason for the reunion.

Partygoers received Martin Van Buren T-shirts. The reason, as most electoral trivia buffs know, is that Mr. Bush this year became the first incumbent vice president to be elected president since Mr. Van Buren won in 1836. But few of them know that

Dec. 7 was also the 152d anniversary of Mr. Van Buren's big moment.

Back then, Election Day varied from state to state. With five contestants, including William Henry Harrison and Daniel Webster, Mr. Van Buren's victory was not clear until just before the Electoral College met on Dec. 7. His running mate, Richard Johnson, missed a majority by one vote. He was elected later by the Senate.

Vice President-elect Dan Quayle may not see much to celebrate in the Johnson story. And even Mr. Bush will hope that the Van Buren parallel stops here. In 1840, Mr. Johnson was dropped from the ticket, and Mr. Van Buren lost.

—THE NEW YORK TIMES.

## Other Comment

### Gorbachev Keeps Marching

Mikhail Gorbachev knows that his two principal adversaries are time and the dead weight of the society he has sworn to transform. That explains his flood of foreign-policy initiatives: It is easier to help resolve a regional conflict or even to slow the arms race than to transform a pusillanimous bureaucracy into a competent expert, a *muchnik* whose capacity to reason has been blunted by 70 years of terror into a conscientious farmer, or an alcohol-deadened laborer into a careful and punctual worker.

It remains to be seen whether he will succeed in imposing his point of view on his more conservative colleagues. The resignation of Marshal Sergei Akhromeyev as chief of staff shows clearly that resistance is strong. That surely is why the general secretary set off on this forced march, as if better to exhaust the guardians of the old order. Conscious of his popularity in the West, he makes the West a witness to his intentions — in hopes of yanking the Soviet masses from their skeptical torpor.

—Le Monde (Paris).

The talks in Vienna on reduction of NATO and Warsaw Pact ground forces have gotten nowhere for years. A psychological breakthrough was needed, and now Mr. Gorbachev has provided it.

It appears that something else was also needed: a reshuffle of the Moscow military establishment. The sudden resignation of Sergei Akhromeyev, the Soviet chief of staff, suggests that something important is afoot at the highest levels of Soviet military policy-making. The undeniable impression is that opponents of Mr. Gorbachev's approach are losing an important argument.

Voluntary troop reductions on the Soviet-Chinese border should encourage all in

East Asia. This is, therefore, good news for everybody living between Germany and Outer Mongolia, and beyond: seasonal cheer on a global scale.

—The Japan Times (Tokyo).

Mr. Gorbachev seems to have concluded that he cannot get the economic aid he needs from Western Europe, or lure it away from its U.S. alliance, so long as he maintains a menacing strike force east of the Elbe. Hence his insistence that Soviet forces have adopted a defensive doctrine. His aim is to promote the anti-nuclear movement so that NATO, having given up intermediate-range missiles, will be denied the tactical nuclear weapons and dual-capable aircraft it needs to counter Soviet conventional superiority.

—The Baltimore Sun.

You can talk for hours about the imbalance that would continue to exist after Mr. Gorbachev's reductions. But it is beyond doubt that the initiative is unique and important. And the announcement that the first arms factories will be turned into civil facilities makes it clear that the decision is not made for the sake of propaganda. It is based on the knowledge that economic reforms are not possible if the massive costs that go into the military machinery are not decreased.

—De Standaard (Brussels).

Who could have supposed when Mikhail Gorbachev came before the United Nations to plead for deeper forms of international cooperation that Ronald Reagan would answer his call within 24 hours by offering to aid the victims of a devastating earthquake? Should the Kremlin decide to accept the U.S. offer, one of the greatest natural tragedies of our century could still spawn a human triumph in superpower cooperation.

—Syndicated columnist Andrew J. Glass.

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## Gorbachev Made a Virtue of These Necessities

By Dimitri K. Simes

WASHINGTON — Mikhail Gorbachev's triumph in the United States stands in dramatic contrast to his mounting economic and ethnic troubles at home. The American media generally treated the visiting Soviet first couple as if they were a cross between the messiah and Prince Charles and Diana. Yet, inside the Soviet Union, Mr. Gorbachev is increasingly perceived as a beleaguered imperial leader in desperate need of foreign successes to compensate for domestic setbacks.

The general secretary's speech to the United Nations General Assembly was a bold attempt to make a virtue out of necessity and to use Soviet limitations to enhance Moscow's global influence. Mr. Gorbachev deserves credit for being a practical, imaginative statesman. He understands that there has often been more bark than bite to Soviet foreign policy.

By building more weapons than it needed for any conceivable military mission, and by engaging in more Third World conflicts than it could handle, Moscow was needlessly alienating the rest of the world. The Kremlin leader decided to discipline the Soviet national security process and to subject Soviet international activities to cost/benefit analysis.

Mr. Gorbachev's announcement regarding unilateral cuts in Soviet conventional forces reflects both Soviet military and public relations requirements. Completely apart from the Kremlin's new international moderation, the movement for military reform is gaining momentum in the Soviet Union. A growing number of younger military officers publicly argue that the Soviet military machine is too large to be effective. They are calling for a leaner, meaner professional army. They want the army to have a smaller proportion of older weapons, fewer poorly trained Moslem recruits and more competent noncommissioned officers, as well as precision guided munitions.

The reduction of the Soviet armed forces by 500,000 men, 10,000 tanks and 800 combat aircraft should not give Moscow military reformers pause. The personnel cuts will approach 10 percent of overall Soviet numerical strength and can be accomplished entirely at the expense of reserve, civil defense and construction units. Similarly, with 19,300 T-54S Korean War-vintage tanks and more than 900 MiG-23 fighters inherited from the 1960s, the Kremlin can easily scrap a lot of obsolete systems without sacrificing military muscle.

Nor is it much of a Christmas gift on Mr. Gorbachev's part to call for "de-ideologization of relations among states." Soviet clients among Third World Marxist regimes proved to be more of a costly embarrassment than a geopolitical asset. All Warsaw Pact governments require some form of Soviet subsidy and security aid. For a country with a discredited ideology to occupy a high moral

ground by emphasizing common human interests is not an act of generosity.

Perestroika will eventually succeed or fail on its own merits. But in the short run, Mr. Gorbachev may be dependent on Western credits, technology and, most urgently, consumer goods to help the Soviet economy through the period of disruptions that, in large measure, is caused by his own reforms. It simply fits his objectives to persuade America and its allies that Soviet success is in the West's best interest as well.

Many of Mr. Gorbachev's initiatives are indeed refreshing and encouraging. Even if he greatly overstates the scope of Moscow's new thinking, there is clearly much more to his reforms than hollering the West into a false sense of security.

But Mr. Gorbachev is not just another formidable statesman. He is a formidable leader of a rival superpower who makes no secret of his intent to reshape the world order according to Soviet interests and values. His definition of "freedom of

choice" in the world refers more to regimes than to people. It does not promise anything to independent-minded Estonians, but does provide legitimacy to the Gadhafis and Ortegases.

His Third World debt moratorium proposal puts Moscow squarely on the side of the South against the North in disputes over redistribution of global wealth. The idea is self-serving: Third World debt due the Soviet Union amounts, at most, to \$25 billion in hard currency, in comparison with about \$150 billion in the U.S. case. And surely there is little for America in the general secretary's suggestion to give a greater role to the United Nations, with its fairly stable anti-American majority.

Mr. Gorbachev deserves the sympathy and even the admiration of Americans. But this should be a grudging admiration — the sort reserved for honorable opponents bravely fighting against considerable odds — and not the support one would give to a new-found friend.

The writer is a senior associate of the Carnegie Endowment for International Peace. He contributed this comment to The Washington Post.



## One Good Arms Cut Doesn't Always Deserve Another

By McGeorge Bundy

NEW YORK — Mikhail Gorbachev's speech to the United Nations, in its announcement of a dramatic reduction and redirection of Soviet conventional forces, is an event of high importance, and the first response of the U.S. government is excellent: President Reagan heartily approves and President-elect George Bush agrees with him.

It is to Mr. Bush's advantage, in this situation, that Mr. Gorbachev's announcement comes at a time when everyone knows that the United States is in that quadrennial intermission, between election and inauguration, in which neither the outgoing nor the incoming president can speak with authority about the future.

Thus, there is time for the searching review of defense and arms control policy that Mr. Bush has already promised and for consulting with allies about what the Soviet leader's speech does and does not mean.

There is also much to think about. First, we must avoid the trap of supposing simply that one good decision — or speech — deserves another. In particular, it would be wrong to suppose that a reduction of Soviet conventional forces in Europe justifies a reduction in American forces there. Soviet conventional deployments

have been excessive in quantity and offensive in shape. America's have not. Neither the United States nor its allies have ever supposed, as the Soviets have, that a capacity for offensive conventional action was essential.

Both European and U.S. conventional deployments have had a much more limited and centrally political role — to make it clear to all that there can be no easy pickings for any aggressor in Europe.

The U.S. divisions in Europe, in particular, are there as a guarantee that there can be no aggression without a wholly unacceptable danger of superpower war. What number of divisions is right for this essentially political purpose is a good question, but the answer does not depend centrally on a count of Soviet tanks.

It is of cardinal importance that Mr. Gorbachev's decision was unconditional and unilateral. It derives from his conviction that it is in the national interest of the Soviet Union to shift away its overcommitment to conventional forces that are unnecessarily large and unprofitably threatening.

This decision is wise and brave, and it deserves the approval it has been given; it also deserves, in due

course, an appropriate response. But the conventional forces of the Western alliance do not have either excessive size or threatening posture.

What the new administration must consider instead is the same large question that has led Mr. Gorbachev to his big decision: What does and does not make sense in the current military posture of the United States?

The largest question ahead is not U.S. divisions in Europe; they more than pay their way. America's real troubles are elsewhere, generally in its extraordinary mismanagement of procurement, and specifically in the failure to make sense of the great question of strategic defense.

Mr. Bush's understanding of the importance of these two questions is already clear. He is trying to attack the first one by finding not just one leader for the Pentagon but a team. He must attack the second by the kind of study that Ronald Reagan never made, before he committed himself to an impossible dream.

The new administration inherits Ronald Reagan's dream of a leak-proof strategic space shield at a time when everyone but Mr. Reagan himself knows, in the physicist Edward

Teller's words, that "a complete defense is completely impossible."

The Bush administration can clean up this mess by getting and telling the truth. When it has done that, it will have opened the door to choices that can offer progress in strategic arms control. It is more than possible that the first step in such progress could be a brave and lonely decision by George Bush — a decision that would reconcile essential research requirements with the continuation of America's basic agreement not to deploy destabilizing strategic defenses.

In its fresh assessments, the new administration should not let itself be hurried, by Mr. Gorbachev or anyone else. We should remember that Mr. Gorbachev's dramatic decision comes in the fourth year of his leadership, and we should remember also that other presidents have stumbled in seeking a fast start.

Properly considered, the Gorbachev speech gives time by lowering tension. It should be a stimulus to careful thought, not hasty action.

The writer, a professor of history at New York University, is author of "Danger and Survival: Choices About the Bomb in the First 50 Years." He contributed this to The New York Times.

## Eleanor Roosevelt's Legacy: The Rights Declaration

By Richard N. Gardner

NEW YORK — On Dec. 10, 1948, at 3 A.M., the United Nations General Assembly, meeting in Paris, adopted the Universal Declaration of Human Rights, which stands to this day as the most widely recognized statement of the rights to which every person on our planet is entitled.

Then something happened that never happened in the United Nations before or since. The delegates rose to give a standing ovation to a single delegate, a shy, elderly lady with a rather formal demeanor but a very warm smile. Her name, of course, was Eleanor Roosevelt.

The Universal Declaration was not a binding treaty, only a "standard of achievement" to which nations should aspire. But it has now been published in the native languages of all countries, serving as a rallying point for such diverse victims of oppression as Lech Walesa in Poland and Nelson Mandela in South Africa. It is used as a yardstick to measure governmental performance both by UN bodies and nongovernmental organizations. It has influenced the constitutions and legislation of many states and is the main source of inspiration for more than 20 legally binding human rights treaties

and for human rights institutions in Europe and Latin America.

In January 1947, when the UN Commission on Human Rights was established, Mrs. Roosevelt, who had been appointed a UN delegate by President Harry Truman a year before, was promptly elected chairman.

She soon found herself embroiled in bitter confrontations with the Russians. They meant something quite different by the terms "freedom" and "democracy." They wanted a provision of each article saying it was up to the state to determine whether a specific right was being observed. And they pushed for the inclusion of economic and social rights — rights to employment, education, health care — which they said were no less important than political rights. After some discussion, Mrs. Roosevelt persuaded the State Department to accept the inclusion of economic rights. And not President Roosevelt, after all, framed the postwar goal of "freedom from want" — "everywhere in the world?"

Despite this move to meet them part way, the Russians were stonewalling. They had decided that the

in the cultural life of the community.

When the General Assembly convened in Paris in the fall of 1948, the Soviets were blockading Berlin. Speaking in French at the Sorbonne, Mrs. Roosevelt said that the Russians' failure to respect human rights was now a major obstacle to world peace. When the declaration was finally adopted, Ambassador Charles Malik of Lebanon declared: "I do not see how without her presence we could have accomplished what we actually did accomplish."

Although Mrs. Roosevelt was proud of her role in shaping the Universal Declaration, she was a realist. She knew its words were not self-enforcing. The real challenge, she liked to tell UN delegates in later years, was one of "actually living and working in our countries for freedom and justice for each human being."

That is a challenge she readily accepted, and her example is one that inspires us today.

The writer, a professor of international law at Columbia University, was ambassador to India from 1977 to 1981. He wrote this for The New York Times.

## A Masterful Mix of Beef And Guff

By Charles Krauthammer

WASHINGTON — Mikhail Gorbachev proved again that the United Nations that he is the most formidable political presence of our era. His UN speech was a grand performance, full with vision and scope and concrete initiatives. It contained all the right gestures and touched all the right bases. A White House waster could have improved the sound, but not the effect.

Like all of Mr. Gorbachev's speeches, this one was a masterful mixture of beef and guff. The beef came in two parts. First, Mr. Gorbachev offered a one-world vision to cozy that Jerry Brown would have bought it. He talked about universal human interests, universal human values, the universal human idea, the democratization of the world, the impossibility of a closed society, interdependence, etc., etc.

The reason all this talk of co-dependence and co-creation is to be taken at less than face value is that, with the possible exception of France, the Soviet Union remains the world's most adept and most cynical practitioner of realpolitik. Its maneuvers in the Gulf, in Central America and in Afghanistan have nothing to do with oneness and everything to do with the advancement of Soviet interest.

Then there was the guff in the form of concrete, and safely mischievous, proposals. Mr. Gorbachev repeated the Soviet call for relieving Third World borrowers of their debt. Easy for him to say. It's not his money.

His proposal on Afghanistan was even more clever, and retrograde. He did not once mention the Soviet commitment to evacuate Afghanistan by Feb. 15. He proposed instead a ceasefire in place by Jan. 1, a cutoff of arms shipment to both sides, and a UN peacekeeping force to patrol what would then be a partitioned Afghanistan (Kabul and the northern parts being Soviet controlled, the south ceded to the feuding mujahideen). The idea is transparent: to salvage half of Afghanistan just as the Soviets are about to lose all of it.

But there was beef in the speech, too. Mr. Gorbachev offered to reduce the Warsaw Pact's conventional superiority in the European theater and to reconfigure the remaining forces in a less threatening way. The offer was dramatic. But it is impossible to judge how significant a change it will make in the military imbalance in Europe until it is actually carried out. The devil is in the details.

For example, Mr. Gorbachev pledged to remove tank divisions from Eastern Europe. Fine. But the impact of this move will depend wholly on the quality and location of the six divisions. What happens to their infrastructure? Will the equipment be destroyed or reintegrated into other parts of the military? Or is it shipped to Third World surrogates like Vietnam and Nicaragua?

Tellingly, the list of East European countries from which Mr. Gorbachev would reduce forces excluded Poland. Moreover, when you take away tank units, you replace them with mechanized infantry. And, as Steven Chibby of Georgetown University notes, mechanized infantry is the better instrument for controlling civil disorder.

Tanks are for blitzkrieg. Mechanized infantry is for imperial control of the provinces. Mr. Gorbachev may indeed be changing the mission of his European army from attack on the West to occupation of the East.

There is much public debate in the Soviet military about streamlining by eliminating redundancy and emphasizing professionalism. Hence Mr. Gorbachev's pledge to reduce the number of Soviet tanks by 10,000. Out of 53,000 that is a high-sounding percentage. But 20,000 of these tanks are the aging T-54s and T-55s. If half are replaced by the Soviets' most modern battle tanks, the Soviet tank forces may be leaner but no less threatening.

Mr. Gorbachev's unilateral gesture is a political masterstroke. It enables him to restructure Soviet forces in a way favorable to him, but for the world can now gauge the maximum public relations benefit — it is the address of the central anxiety of Western Europe, the nightmare of surprise Soviet attack.

This is not to say that his move is insignificant. It is only to say that its ultimate military significance is, as of today, indeterminate. Not so its political significance. It is a coup. Putting pressure on George Bush two months before he can even respond, it confirms Mikhail Gorbachev's position as the greatest politician of our era.

Mr. Bush thinks he has a hand at follow in Ronald Reagan. That is nothing compared to what he will have to do to match Mikhail Gorbachev.

Washington Post Writers Group

## 100, 75 AND 50 YEARS AGO

### 1888: Anarchists' Manual

PARIS — A little handbook of forty pages has been distributed in the working men's quarters in Paris. It is a complete manual of the practical anarchist. It explains how to make and how to use explosives such as nitro-glycerine, rock-a-rock, bombs, asphyxiants, etc. The author urges his companions to use nitro-glycerine in a particular way that he carefully specifies, "because a much superior result will be obtained, and the risk of accidents will be diminished." A very ingenious way of destroying letters and voting tickets is also pointed out.

### 1913: Crete to the Greeks

ATHENS — The Greek fleet is about to leave for Crete, where the new Governor will officially proclaim the union of the island to the Kingdom of Greece. The Cretans will have the satisfaction of seeing the flag of King George Averoff salute the Greek flag as it is hoisted over the fortress of Candia, where four years

ago the sailors of the protecting Powers were obliged to lower it.

### 1938: Ukrainian Demand

WARSAW — The seven and a half million Polish Ukrainians, who inhabit the whole of southeastern Poland, constituting a third of the entire country, formally demanded autonomy for their territory today (Dec. 9) in a motion laid by their Parliamentary representatives before the Diet. Although the Ukrainian autonomous movement has been under way since some of the former Russian Ukrainian provinces were transferred to Poland after the World War, the Ukrainians' demand produced the effect of a bombshell in Polish political circles, who interpreted the move as part of a concerted action by all Ukrainians in Eastern Europe to form themselves into an independent state. In inflammatory terms, the Polish press stoutly rejected the Ukrainian demand, declaring it "a treasonable act" directed against the unity of Poland.

### 1947: Mitterrand Meets Czech

PARIS — President François Mitterrand met Friday with Czechoslovak dissidents and representatives of human rights who are a condition of continuing a series of contacts between France and West European countries.

### 1979: Mitterrand Meets Czech

PARIS — President François Mitterrand met Friday with Czechoslovak dissidents and representatives of human rights who are a condition of continuing a series of contacts between France and West European countries.

THE GORBACH



Mr. Reagan, flanked by a

## For Reagan

At His Final Pre

By Lou Cannon and Bill McAlister

WASHINGTON — President Ronald Reagan has praised President Mikhail S. Gorbachev as a new type of Soviet leader who has made possible better relations between the superpowers.

As was expected to be his final news conference as president, Mr. Reagan said Thursday that he viewed the Soviet Union as less threatening than he feared eight years ago, when he spoke harshly of a nation whose leaders would willingly commit crimes to pursue their goal of world domination.

Mr. Reagan said that he believed that Mr. Gorbachev really did see the Soviet Union as a nation that had been "responsible for the great economic crisis that it faces."

Mr. Reagan said his new view was the result of changes in the Soviet leadership that in his own thinking, but the president made clear in his responses to numerous questions about his remarks with Mr. Gorbachev that he believed the Soviets were now away from the expansionism that Mr. Reagan has frequently denounced in the past.

"There is evidence that they

## Mitterrand Meets Czech

Dissidents

By Jackson Diehl

Washington Post Staff Writer

PARIS — President François Mitterrand met Friday with Czechoslovak dissidents and representatives of human rights who are a condition of continuing a series of contacts between France and West European countries.

Mr. Mitterrand, concluding the visit to Czechos



## THE GORBACHEV AFTER-EFFECT: Possible relief for Eastern Europe, challenges for the Bush budget planners



Mr. Reagan, flanked by a Christmas tree, holding his final press conference Friday.

For Reagan, End of Ritual Ordeal  
At His Final Press Conference, He Lauds GorbachevBy Lou Cannon  
Washington Post Service

WASHINGTON — President Ronald Reagan has praised President Mikhail S. Gorbachev as a new type of Soviet leader who has made possible better relations between the superpowers.

At what was expected to be his final news conference as president, Mr. Reagan said Thursday that he viewed the Soviet Union as less threatening than he feared eight years ago when he spoke harshly of a nation whose leaders would willingly commit crimes to pursue their goal of world domination.

Mr. Reagan said that he believed that Mr. Gorbachev realized that the huge Soviet arms buildup had been "responsible for the great economic crisis that he faces."

Mr. Reagan said his new view was more the result of changes in the Soviet leadership than in his own thinking. But the president made clear in his responses to numerous questions about his meetings with Mr. Gorbachev that he believed the Soviets were moving away from the expansionism that Mr. Reagan has frequently denounced in the past.

"There is evidence that they

don't like being the pariah, that they want to join the family of nations," the president said.

Asked about what he thought Mr. Gorbachev's chances were for surviving internal resistance, the president said that the Soviet leader was "battling a bureaucracy" that was likely to resist his efforts to change the country.

But, the president said, "It's very evident that the people of the Soviet Union are on his side."

The 35-minute news conference in the East Room, Mr. Reagan's fourth formal news conference this year, produced no startling revelations. Mr. Reagan turned aside suggestions that the federal deficit accumulated under his eight years in office was entirely the fault of tax cuts his administration supported.

"One cannot say all of this happened because we cut taxes," the president said, citing deficits that occurred during the many years Congress had been controlled by Democrats. "We inherited deficit spending that was built into government," he said.

Mr. Reagan said he would be "deeply disturbed" if President-elect George Bush reneged on his promise not to raise taxes and added, "I don't think it's going to happen."

The budget can be balanced by 1993 under plans the Reagan administration has devised, and the next administration will not "have to touch Social Security and raise taxes," he said.

The president said he believed Mr. Bush would support the contra rebels in Nicaragua as strongly as he had. "Obviously I don't try to pin him to the wall," Mr. Reagan said, "but I believe he agrees with me."

Mr. Reagan also repeated his support for Secretary of State George P. Shultz's decision to deny Yasser Arafat, the chairman of the Palestine Liberation Organization, a visa to permit him to address the United Nations. Mr. Reagan described Mr. Arafat's latest statements as unsatisfactory.

The president said that although the PLO leader had made statements supporting Israel's right to exist and denouncing terrorism, Mr. Arafat "left openings for himself" that would allow him to retreat from those positions. Acknowledging Israel's right to exist and renouncing terrorism are two conditions the United States has said the PLO must meet before the United States will meet with the organization.

Sakharov Urges Soviets  
To End Rights Abuses  
And Curb the MilitaryBy Meg Bortin  
International Herald Tribune

PARIS — Andrei D. Sakharov, the Soviet dissident and physicist, arrived Friday for a weekend of human rights activities and immediately urged further Kremlin action to reduce the armed forces and to strengthen civil rights.

Stopping in France on his way home from the United States, Mr. Sakharov went straight into a press conference at the Soviet Embassy.

There, flanked by officials from Moscow, he denounced what he called continuing flagrant violations of the rights of Soviet citizens.

He blamed errors by the Kremlin leadership for creating a situation that had forced tens of thousands of Armenians to flee "threats and terror" in Azerbaijan before an earthquake wreaked further devastation on the refugee population.

And while praising President Mikhail S. Gorbachev as a skilled politician, he warned that any easing of Western pressure on the Soviet Union for continued liberalization could torpedo the process of change and endanger the world.

Mr. Sakharov, who is on his first visit to France, is to attend celebrations Saturday marking the 40th anniversary of the Universal Declaration of Human Rights. Others arriving at the invitation of President François Mitterrand include Lech Walesa, the leader of the banned Solidarity trade union in Poland, and Yelena G. Bonner, Mr. Sakharov's wife.

Asked about Mr. Gorbachev's announcement of unilateral troop reductions, Mr. Sakharov said, "I believe that this initiative by the Soviet Union has colossal importance."

But he urged Mr. Gorbachev to do more by halving the period of mandatory military conscription, currently two years for the army and three for the navy, and reducing Soviet arsenals at the same time.

Mr. Sakharov was asked about the arrest last month of Sergei I. Grigoryants, the former political prisoner and editor of the independent magazine Glasnost, who was imprisoned for 30 days while on an information-gathering visit to Armenia.

"This seems to me to be a flagrant violation of all democratic rights," Mr. Sakharov said.

When asked whether his presence at the embassy was a sign of real progress or meant that he had

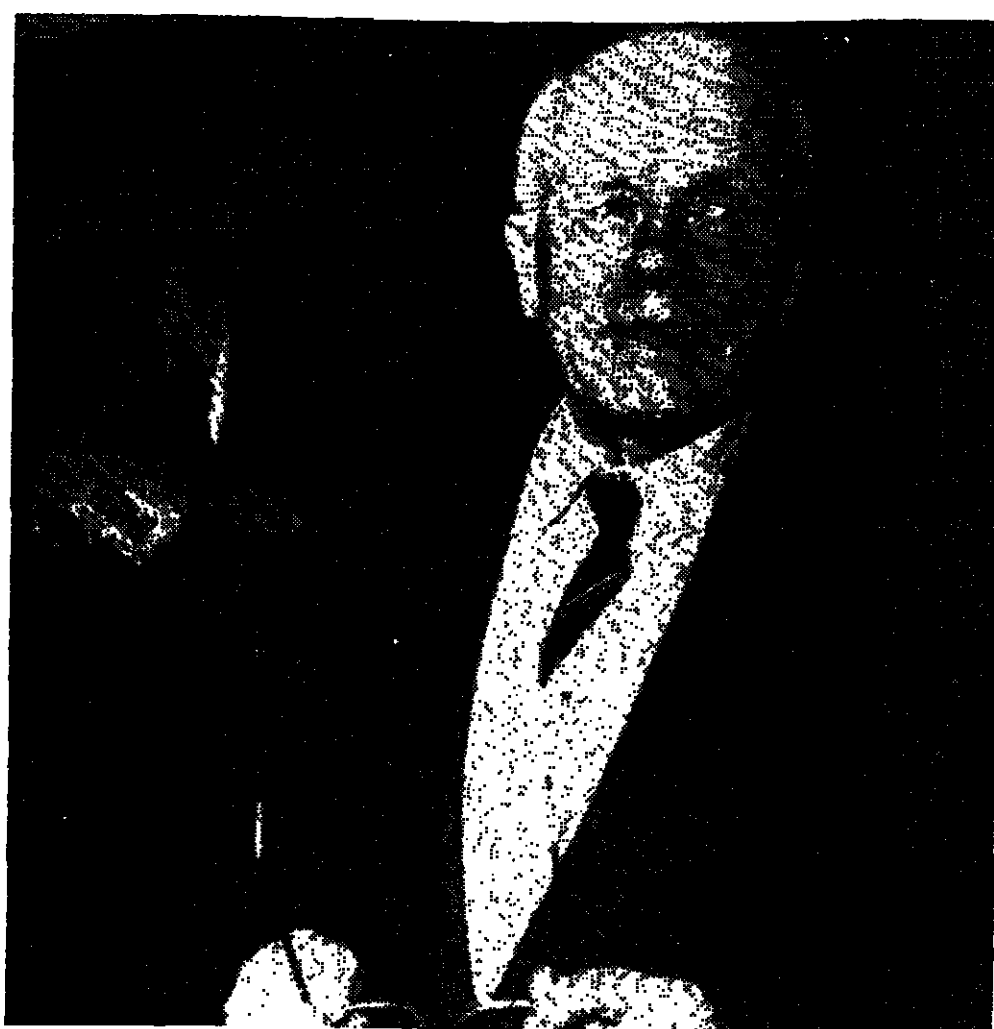
been coopted by the system, he replied, unperturbed, that he had never wavered in his attitudes.

"I have had no reason to turn back in any way on my positions," said Mr. Sakharov, who spent nearly seven years in exile after speaking out against the Soviet invasion of Afghanistan. "Yes, I suffered reprisals, but I was not alone."

"Many, but not all, political prisoners have been freed," he said, "but they have not been rehabilitated, that is, the authorities have not recognized the atrocious nature of their incarceration."

Mr. Sakharov, who won the 1975 Nobel Peace Prize for his human rights activities, said that the Kremlin had also erred in its handling of the territorial dispute over the Nagorno-Karabakh Autonomous Region, which has left dozens of Armenians and Azerbaijanis dead in ethnic bloodshed.

But he said that the border issue must be relegated to the background as Armenia seeks to recover from the earthquake that struck Wednesday, killing tens of thousands of people. He appealed to the Red Cross, the World Health Organization and other international bodies to send aid to the region.



Mr. Sakharov standing by a painting of Lenin after his press conference Friday in Paris.

## Arms Cuts May Be Boon for Soviet Allies

By John Tagliabue  
New York Times Service

PRAGUE — The decision by the Soviet Union to cut its conventional weapons carries the possibility of considerable economic relief for some parts of Eastern Europe, but also of accelerated political change.

The decision comes when the Warsaw Pact appears deeply split on several key issues.

The question facing individual governments is the extent to which the Soviet decision means their own agendas for military spending cuts, economic revitalization and political change.

Thus, the government in Hungary welcomed the decision as a "pre-Christmas gift" that might open the door to military spending cuts in its own tight budget, and future reductions in conscription to save money.

The defense minister, Colonel General Ferenc Karpati, was quoted by Hungarian radio as telling a parliamentary defense com-

mittee that troop cuts also planned by Moscow might affect as many as one-fourth of the approximately 65,000 Soviet troops in the country.

He suggested that Hungary might be able to cut military spending by 10 to 17 percent, possibly reducing troop levels.

Hungary and Poland, whose governments also warmly welcomed the Soviet decision, have been alone in the Warsaw Pact in announcing their intention to seek cuts in military spending.

In Czechoslovakia, which has about 80,000 Soviet troops on its soil, the leadership under Milos Jakes, in a relatively cool reaction, said the cuts would take place "with full understanding" of the government.

But Western analysts in Prague said the Czechoslovak authorities appeared reluctant to see the Soviets withdraw anything more than one of five divisions stationed in the country.

In East Germany, where the reduction in conventional forces

would be minimally felt, given the presence of 19 Soviet divisions, the leader, Erich Honecker, was quoted as calling the Soviet announcement "of immense historic importance" and meriting "great respect and approval."

Western analysts in Prague were inclined to interpret the Soviet decision as inspired by a desire to obtain room for military spending cuts in order to free resources for investment under the next five-year plan beginning in 1991.

East-bloc governments, one foreign diplomat said, "must draw the conclusion that if the Soviets do it, it is right for them to follow suit."

But foreign diplomats also emphasized the potential of the Soviet move for stimulating political change within the East bloc, particularly in countries like Czechoslovakia and East Germany, where the leadership has been slow to get in line with the restructuring stimulated by President Mikhail S. Gorbachev's program in the Soviet Union.

"The decision will certainly raise expectations," one diplomat said, "as people see signs of change that may encourage them to be more politically active."

It remains unclear just how intense the process of consultation between Moscow and its East-bloc allies was, and to what extent details of the reductions have been worked out.

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## Mitterrand Meets Czech Dissidents

By Jackson Diehl  
Washington Post Service

PRAGUE — President François Mitterrand of France met Friday with Czechoslovak dissidents and said improvements in human rights were a condition of continuing a recent flurry of contacts between East and West European countries.

Mr. Mitterrand, concluding the first visit by a French head of state to Czechoslovakia in 70 years, said he had discussed human rights issues with the Communist Party chief, Milos Jakes, and with President Gustav Husak.

He said that "on all levels of state and society" in Czechoslovakia, people recognized that the problem of human rights existed.

"All conversations took a very practical turn," Mr. Mitterrand said at a press conference Friday of his talks with the leadership. "Human rights must remain one of the basic objectives of all rapprochement between our peoples, especially on the European continent."

The president's visit marked an acceleration of a move by his country to build stronger ties with the Warsaw Pact countries. Mr. Mitterrand, who visited the Soviet Union last month, also has announced plans for trips to Bulgaria, Poland, Hungary and East Germany.

In his remarks at a state banquet on Thursday evening, Mr. Mitterrand praised both the democratic record of Czechoslovakia's pre-World War II government and the 1968 "Prague Spring" reform movement of Alexander Dubcek, which Mr. Jakes and Mr. Husak helped to suppress after the Soviet invasion.

He said that the leaders of the 1968 movement stood "for the values that were the goals of our own revolution" in 1789.

The Communist Party daily newspaper, Rude Pravo, which has sometimes censored the speeches of senior Soviet officials, published on Friday the full text of Mr. Mitterrand's remarks. Western observers said it was the first time Mr. Dubcek's name had appeared in a positive context in the state news media since his downfall.

On Friday morning, Mr. Mitterrand had breakfast at the French Embassy with eight leading dissidents, including playwright Vaclav Havel and other members of the Charter 77 human rights group.

Mr. Havel, the unofficial leader of the opposition, said that the meeting had been an important political gesture. It was the first time a Western head of state had held such a meeting with dissidents in Prague.

## Bush Team Seeks Reply to Soviet Move

By Gerald M. Boyd  
New York Times Service

WASHINGTON — President-elect George Bush's foreign policy team, not yet in command and caught somewhat off guard, is grappling for a response to Mikhail S. Gorbachev's potential propaganda bonanza.

The aides contended Thursday that the Soviet leader's pledge of military reductions was only a first step and that deeper cuts would be needed to achieve a balance in troop strength.

But they said Mr. Gorbachev's promise this week of unilateral action established a valuable principle for future arms negotiations — that military reductions do not have to be applied equally to East and West.

One senior Bush adviser said that while it was too early to adequately assess the overture, the Soviet leader had stirred the public's imagination.

"It's clear that this man continues to hold a tremendous grip on the imagination of the world," he said. "The general secretary threw out a lot of red meat."

The adviser said that aides to Mr. Bush now expected the plan to affect budget talks between the new administration and Congress, which begin early next year.

"Clearly, these proposals will be raised on all sides," he said of Mr. Gorbachev's announcement.

He added that, over the next few weeks, Mr. Bush's advisers were likely to develop assessments of the effect of the Soviet troop reduction on U.S. military spending and overall military policy.

"You don't want to react precipitously," he said. "This was a serious thing and we have to proceed substantively."

The note of caution expressed by Mr. Bush and his advisers reflected their difficulty in determining whether the Gorbachev initiative presented the incoming administration with a benefit or a problem.

Some officials acknowledged that it could give Mr. Bush an opening to reduce military spending, thus easing severe budget difficulties. But they also voiced concern that the eagerness in Congress to cut military spending could get out of control.

Another Democrat, Senator Daniel Patrick Moynihan of New York, said that attempts to cut military spending in response to the Soviet plan were now certain. He mentioned allocations for the North Atlantic Treaty Organization as a possible target.

"Half of our defense budget goes to NATO," he said. "As we decide how to get our finances back in shape, this will inevitably mean an easing off there, and what Gorbachev said will contribute to this."

Mr. Bush reacted with caution to Mr. Gorbachev's announcement. As he returned to Washington on

Wednesday after he and Mr. Reagan met with the Soviet leader in New York, he told reporters that he thought the plan was a "good decision."

But he also indicated that Moscow would have to make further troop reductions to reach levels he would deem acceptable.

Aides said that because Mr. Bush would not take office for another six weeks, he was in an awkward position. Mr. Bush said he told Mr. Gorbachev on Wednesday that he was still putting together his national security team and that there was no pressure to set a strategy and establish priorities to respond to the initiative.

But several advisers said there was a feeling that Mr. Bush would have to name a defense secretary soon to begin budgetary assessments and to make suggestions on how the new administration should respond.

According to aides, John G. Tower, a former Texas senator and leading contender for the top Pentagon position, has raised several concerns about the Gorbachev plan. These included the extent to which Soviet military hardware would be reduced and how Moscow would redeploy any troops removed from Eastern Europe.

Senator Jim Sasser of Tennessee, the new Democratic chairman of the Budget Committee, said: "With this initiative on the part of Gorbachev, it's going to make it almost impossible for those who argue for an increase in defense spending. It's going to make it very difficult even for those who want to hold the line at the present level."

But he also indicated that Moscow would have to make further troop reductions to reach levels he would deem acceptable.

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## U.S. Move on Soviet Emigrés Is Criticized

By Michael R. Gordon  
New York Times Service

WASHINGTON — The Reagan administration has moved to ease the bottleneck on emigration from the Soviet Union to the United States, but some congressional critics and U.S. Jewish groups say the steps are inadequate.

Responding to a request from the State Department, Attorney General Richard L. Thornburgh announced Thursday that he would make extraordinary use of his parole authority to admit thousands of Armenian and Jewish émigrés who have not been accepted by the United States for refugee status.

That authority would allow applicants who have been denied refugee status to come to the United States if they can procure an affidavit from a U.S. citizen pledging financial support. An émigré who is paroled receives no federal assistance.

At the same time, however, it is more difficult for émigrés who are paroled to become U.S. citizens. To do so, they must proceed through indirect means, such as marrying an American.

Mr. Thornburgh said an Immigration and Naturalization Service officer would be sent very soon to Moscow to grant the paroles and

resume the review of refugee applications.

An official from the immigration service had been scheduled to return to process refugee applications in early January.

Mr. Thornburgh's decision was criticized by representatives of U.S. Jewish groups, who challenged the assumption that some Soviet Jews do not have a valid fear of persecution and thus should be eligible for parole and not refugee status.

Representative Charles E. Schumer, a New York Democrat who serves on the House Judiciary subcommittee on immigration, also criticized the administration plan as "woefully inadequate."

"It sends an incorrect message that Jews are not being persecuted in the Soviet Union," he said.

Micha H. Naftalin of the Union of Councils for Soviet Jews also said the plan was a "very inadequate response."

He added that the administration should shelve its new policy of challenging the refugee status of some Soviet Jews on the ground that they are not being persecuted.

"It is not a solution to the problem," said Philip Saperia, an official at the Hebrew Immigrant Aid Society. He said that parole was a "limbo status."

Mr. Thornburgh would use his parole authority to admit up to 2,000 émigrés a month from Moscow. He would also parole all Soviet émigrés in Rome who "cannot be admitted under current constraints."

In the 1988 fiscal year, only 37 Soviets were admitted into the United States under parole procedures.

A spokesman for the immigration service said that there had been no decision yet to increase the number of refugees who would be admitted during the current fiscal year, which ends next Sept. 30.

**Sununu Considers Race For Senate Seat in 1990**

United Press International

CONCORD, New Hampshire — Governor John H. Sununu, chosen by President-elect George Bush to serve as White House chief of staff, said this week that he was considering running for the Senate in 1990 or 1992.

Mr. Sununu told The Boston Globe that since his role as chief of staff will involve helping set domestic policy, and given the large war chest left from his last gubernatorial campaign, he would be attracted to running for the Senate.

Under steps announced Thursday, Mr. Thornburgh would use his parole authority to admit up to 2,000 émigrés a month from Moscow. He would also parole all Soviet émigrés in Rome who "cannot be admitted under current constraints."

## ECONOMY: Cost to Gorbachev

(Continued from page 1)

than 40 billion rubles, according to economists.

The decline in oil revenue was particularly damaging to the economy because the lost income was mostly in dollars, which were needed to buy agricultural goods, industrial equipment and advanced technology from the West.

The resulting decline in hard currency reserves led to shortages that irritated Soviet consumers, including an almost yearlong absence of coffee.

The next blow to Mr. Gorbachev was the Chernobyl disaster, which left 135,000 people homeless, required a costly effort to encase the damaged reactor in cement, and necessitated construction of several new communities to house refugees.

The third setback — of Mr. Gorbachev's own making — was a government crackdown on drinking, a campaign intended to reduce a high rate of alcoholism and resulting problems that were hampering labor productivity.

Higher prices for vodka and reduced supplies led to long lines outside liquor stores, and eventually to plunging sales. With other alcoholic beverages also restricted, income from the sale of liquor dropped sharply, leaving the government with a 36 billion ruble deficit after three years.

The government, acknowledging that the crackdown was too severe, relaxed some restrictions this fall and vodka has become easier to buy in recent weeks.

Faced with public disenchantment over food shortages, housing problems, long lines for vodka, and the many other hardships of Soviet life, Mr. Gorbachev was forced to authorize the expenditure of 18 billion rubles this year in a special fund for social programs.

The outbreak this year of ethnic unrest in Armenia and the neighboring republic of Azerbaijan has been a drain on the budget, forcing the deployment of thousands of troops in the region to keep order.

Soviet officials have said the cost of maintaining the units in the two republics has run into millions of rubles.

For Mr. Gorbachev and his aides, the problems have seemed a curse, undermining the economy just when it needs a boost.

Like Chernobyl and the ethnic unrest, the earthquake also promises to command the attention of the Kremlin leadership for days, distracting Mr. Gorbachev from other pressing business.

By forcing Mr. Gorbachev to cut short a foreign tour that began in New York on Tuesday and was to include stops in Havana and London, the earthquake also abruptly ended a brief but important respite for the Soviet leader from seemingly intractable domestic problems.

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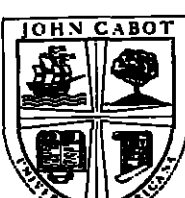
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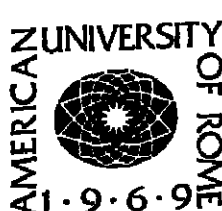
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## ARTS / LEISURE

## Beyond Rodin: Judging Claudel in Her Own Right

By Michael Gibson

International Herald Tribune

PARIS — Emerging from the sort of neglect that sometimes surrounds the object of some intensely painful memory, the tragic figure of the sculptor Camille Claudel (1864-1913) is receiving renewed attention.

Several books have been written (in French) about her life, her work and her mental condition ("Camille Claudel" by Reine-Marie Paris, for instance); her relationship with Auguste Rodin is discussed by Pierre Daix in his recent biography of Rodin; an exhibition at the Odéon-Montparnasse Gallery (85 bis Rue de Flandre, Saint-Hippolyte, 31) assembles a dozen of her major works, and finally "Camille Claudel," a film by Isabelle Adjani in the role of Claudel and Gérard Depardieu as Rodin, opened here this week.

Then's last play, "When We Dead Awaken" (1900) was based on what the Norwegian playwright had heard of their relationship.

The elder sister of the poet and diplomat Paul Claudel, she displayed a ferocious talent for sculpture — just as her brother would for poetry. At the age of 17 she enrolled at the Académie Colarossi and shortly thereafter, when the director of the Beaux-Arts was shown some of her work, he was surprised by its vigor and assurance: "Have you been taking lessons from Monsieur Rodin?" he asked.

She did not even know then who Rodin was, but a few years later she became his pupil, then his assistant and finally his mistress. That liaison lasted 15 years. They had extraordinary affinities, but great obstacles lay between them.

Photographs of Claudel show an outstandingly beautiful young woman. Her brother describes her as "splendid," with long auburn

hair, eyes that were of an exceptionally intense blue and a wide mouth, "more proud than sensual." She was a willful daughter of the upper middle-class, possessing considerable culture and inclined to express herself with cutting irony.

Rodin, on the other hand, was the not-so-illiterate son of a policeman, self-taught, socially insecure, and already saddled with a servant-mistress, Rose Beuret, who took a dim view of his affair with Camille. Others she might tolerate, but Camille was too dangerous a rival.

The two artists clearly stimulated one another and their liaison seems to have heightened the creative vigor of both. It is said that she had an abortion; the child was probably Rodin's. But Rodin's letters to Camille were apparently destroyed by Camille or by her mother, just as one may suppose that her letters to Rodin were burned by Rose. It seems likely, in the view of some authors, that Camille intended to polish Rodin socially, make him a success (which he had not yet become at the time of their meeting) and thus overcome her family's objection to a marriage between them.

They lived in a strange symbiosis. Camille, as Rodin's assistant, did a lot of work on his major sculptures — he entrusted her with the hands of his "Burghers of Calais" and with figures on his "Gate of Hell." This may have been a contributing factor in her subsequent paranoia: Rodin had signed her work and, in a sense, had robbed her of her substance.

But even when each was producing in his or her own name, Camille's work had much in common with Rodin's. At times it can almost seem like a Rodin with a feminine sensitivity. Take a sculpture like "L'Abandon" (1905), in which a kneeling man embraces a woman

who sags down toward him in a sort of erotic swoon. Rodin dealt with almost the same subject in "L'Eternelle idole" (1889) except that in his sculpture the attitude of the woman is that of a proud sovereign coolly receiving her due. This is the fantasy one might more readily expect from a man who is not entirely secure in the presence of the woman he has chosen as his "idol." Claudel's woman, on the other hand, is overwhelmed by the adoration she receives, and lets herself melt into a reciprocity of desire.

Claudel, as a woman, knows that the proud pose of the idol is indeed a pose, that she is more susceptible to passion than she lets on.

In 1894, 10 years after their first meeting, Camille drew away from Rodin and five years later she refused to see him anymore. Camille went into a self-destructive depression. She became a sort of recluse in her studio in the Ile-Saint-Louis. For several years she produced a large number of studies in clay (remarkable vignettes of daily life, say those who saw them), but at the end of each year she destroyed everything and had the debris carted off to the city dump. At the same time she began to have obsessional fears: Rodin's gang were out to kill her and steal her work.

Rodin, who was really concerned, indeed tormented, by what he knew of her condition, occasionally tried to help. He sent friends with offers of financial assistance, but this, in her state, was regarded as a just another maneuver by an adversary who wanted to exploit her to the end: The friends were driven out with threats and ordered never to show their faces again.

At the age of 48 she hardly went out any more, her studio was kept tightly sealed as her terror of "Rodin's Gang" increased. She no longer took care of her appearance, nor fed herself properly, though

both her father and her brother Paul sent her money — without telling Camille's mother.

Louise Claudel, the mother, was a woman of peasant stock and style, whose tough-minded, unaffected attitude toward her daughter seems comparable to that of a character out of Balzac. There is a strange callousness in the fact that she failed to inform Camille of the death of her father, whom she loved, and that she had her confined just one week later. It may be that the father, while he lived, might have objected.

That was in March 1913 and Camille was to spend the last 30 years of her life in a mental institution. Instructions from her mother prevented her from corresponding with anyone but members of her family. She was given clay, however, and encouraged to work, but she stubbornly refused to touch it — anything she did would, she was sure, only serve to increase the wealth and power of Rodin.

Claudel's letters to her family make pathetic reading. They reveal a woman who except in matters pertaining to her paranoid fantasies had lost none of her intelligence and sensitivity. She frequently complains of having to live in the company of people who rave and babble day and night. But Camille suffered most from the fact that, except for her brother Paul, who was usually abroad, her family never came to see her. In those days, madness in the family was a social disgrace. People felt threatened by it and did not know how to cope.



Claudel working on "Persée et la Gorgone" in her studio.

not really enlightening, only compassion and an attentive look at her work allows one to make some sense of her experience.

Seen with the detachment that time brings, we can see that there is

a real talent and passion in Claudel's work. It should not be compared with Rodin's simply because they worked together and were lovers. It must stand on its own — and indeed, it does.

One of the 11 carpet designs offered by David Hockney.

Hockney et al  
Wall to Wall

By David Galloway

HAMELN, West Germany — If this small and sleepy city on the Weser River attracts the occasional traveler, he is almost certain to be lured by legend. Seven centuries ago the Pied Piper passed through these cobbled streets, bewitching the rats with his shrill melodies and leading them to a watery grave. Then the unpaid exterminator piped again, and all the children of the town followed him beyond the hilly horizon.

The fairy-tale has given rise to a series of historical theories that are documented in Hameln's "Rat-Catcher House." What visitors fail to learn there is how a newcomer has varied the piper's pitch. Peter Littmann, a 41-year-old collector and businessman, has recently lured a troop of international architects and artists to Hameln.

Roy Lichtenstein was polite but puzzled by the German businessman who showed up at his Southampton atelier in the summer of 1987. As director of a firm whose name Lichtenstein had never heard, Littmann had come in search of "allies." He dreamed of producing carpeting designed by the best artists and architects of his time. Not, he hastened to add, as elitist items for the trendy culture-consumer, but as mass-produced goods that could be "reasonably priced."

Littmann had nurtured his scheme ever since taking over management of the "Vorwerk" Carpet works in 1982. In part, his interest had been stimulated by a brief tenure with Rosenthal, the porcelain manufacturer, which regularly produces signed, limited editions of artists' designs. "The problem," Littmann contends, "is that such products become confused with the

fine arts. At best, they're crafts whose value is inflated by marketing strategies."

"Today," he says, "vast energies may be invested in choosing everything from door handles to ashtrays, but carpeting often comes last. Then the new owners settle for a neutral beige or grey that will supposedly wear well and not show the dirt." For a century, the Vorwerk group has produced such "sturdy" products, together with a variety of luxury lines that have enjoyed considerable success with interior decorators.

None of that amounted to the floor-level renaissance that Littmann described to Roy Lichtenstein. The grandmaster of Pop was skeptical; he also had no time for such a project. In the end, he agreed. So, too, did David Hockney, Michael Graves, Arata Isozaki, Sol LeWitt, Matteo Thun, Gerhard Richter, Matthias Ungers, Hans-Ulrich Bittsch and Sam Francis. Littmann had approached them in hopes of finding three artists and three architects to launch his "Dialog" collection. To his surprise, he persuaded them all.

The stunning results were recently premiered in Hamburg's former wholesale fish market, now a cultural center. There are 24 patterns in 45 color combinations, ranging from Isozaki's delicate filigree to Sam Francis's action painting splashes. Though each participant was asked to submit three designs, Isozaki became so enthralled by the challenge that they sent more. Hockney offered 11 motifs, of which four went into production. And he was so delighted by the results that he promptly ordered 400 square meters for his beach house in Venice, California.

In contrast to limited-edition carpets, which may only "reproduce" a pre-existing picture, the Hameln assignment involved rethinking the very nature of a drawing. Each had to be so conceived that the design flowed smoothly across a four-meter width (about 13 feet), and with repeats less than a meter in length.

For Vorwerk, as well, the challenge was considerable. Hockney wanted his wet-dry brush strokes recreated in detail; Sam Francis wanted the random paint splatters included; Roy Lichtenstein insisted on a pure white, previously thought to be impossible in carpet production. As the artists and architects came and went, the factory workers became increasingly enthralled by the project.

Even such obvious excellence may not suffice to capture the American market that Littmann is now eyeing.

Earlier Vorwerk forays in the New World were not promising, but Littmann believes his gifted "allies" may turn the tide. He is aware, though, that even in West Germany his revolution may seem somewhat improbable.

Vorwerk became a household word thanks to a compact and powerful vacuum-cleaner called Kobold, which for 50 years has only been sold door-to-door.

Despite numerous technical innovations and Europe-wide diversification into dust-processing, prefabricated housing and kitchen equipment, the firm retains its conservative Kobold image. More than 4,500 salesmen make their daily house-to-house rounds, pushing the total of units sold toward 20 million.

None of their customers have yet had the pleasure of running a Kobold across Lichtenstein's bold dots and stripes. Vorwerk's collection is not on sale until Jan. 1.

Even before the first sales figures are in, Peter Littmann is planning to extend the series by enlisting more artists and additional designs. Playing the piper is a role he clearly relishes.

David Galloway is a writer and professor based in West Germany.

## In Sculpture, the Pedigree Is the Selling Point

International Herald Tribune

LONDON — Signs that an upheaval is under way are multiplying in that broad field that could be called sculpture of the past, from antiquity to the 18th century.

Any work that lends itself to in-situ categorization and can be set in historical perspective is now a potential target for speculation and can multiply its high estimate many times over. On the contrary, any object of art that raises questions regarding its precise identity is doomed to failure or, at best, limited success. Christie's sale on Tuesday provided striking examples of the widening gap between the two categories.

The rarest object by far was a failure, because it was not easily defined in terms of art history. This was a bronze incense burner, shaped as a bowl and decorated with low relief scenes of the annunciation, the visitation, the nativity, the adoration of the magi and the baptism of Christ. The vessel was described as "Byzantine." Such an adjective is suggestive of Christian Greece and its hieratic stylization, to which its figural scenes bear no resemblance. And, indeed, the catalogue entry notes that the closest parallels were found in Aini, the great medieval Armenian metropolis. To call an Armenian object Byzantine is meaningless.

The object, which can be dated to the 10th or 11th century on the basis of its engraved palmette design, is a sensational discovery, but suffered from the confusion. It remained unsold at £27,000.

The sale jogged on rather quietly until a large, highly academic bust of the 18th century came up. This is not quite the sort of piece one would expect to arouse enthusiasm, but historically speaking, it could be described with accuracy. The sitter, John Palmer, was a mathematician and astronomer who was also archdeacon of Northampton, and rector of Eaton and Eton. Its sole virtue is that it is the original model for the marble monument to Palmer by Michael Rysbrack erected in 1732 in the church of Eaton. It had been taken out of Eaton House to be sold on behalf of the

Collector's Guide

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## AUCTION SALES

VENTE AUX ENCHÈRES LE LUNDI 19 DÉCEMBRE 1988 À 14 H



Ne pas déquitter chez l'expert pour avoir en France contre 30 francs un timbre à 10 francs et un autre à 10 francs



The object that Sotheby's made the most of was a white marble bust of Christ as the Redeemer, c. 1598, that sold for \$825,000.

Peterborough Diocesan Parsonages Board, which needed the cash.

Christie's estimate, in the area of \$80,000, seemed generous even if allowance is made for the growing irritation of Britons over the piecemeal chopping up of the national heritage because churches and other institutions do not get enough money for maintenance and operating costs.

The final price, £187,000, came as a surprise. It was the result of intense competition between Dan-

iel Katz of London, who was the underbidder, and Hazlitt, Goudon and Day, a gallery on Bury Street. No professional could remember any English terra-cotta modello selling for even one quarter of that amount.

The real extravaganzas, however, were yet to come. The full impact of historical characterization sent Renaissance and Baroque bronzes skyrocketing to unthinkable heights.

It started with an unassuming oil

lamp in the form of a siren with raised arms. The object belongs to a group of bronzes of the late 16th century that have been variously attributed to Italy, the Lowlands and France over the last 60 years.

Current thinking favors France, and more specifically Barthelmy Prieur, whose admirable standing figures of Henry IV and Marie de Médicis were sold at Christie's in Monte Carlo in 1985 for 9,435,000 French francs (nearly \$1.5 million). The unique piece is now in the Louvre. But the small lamp, 18 centimeters (about 7 inches) high, is neither a masterpiece nor unique — several casts are known. Estimated to be worth £8,000 to £12,000, the lamp drew snuggers from professionals as it ascended to an improbable £46,200 on the basis of its current association with Prieur.

This was a mere warm-up exercise paving the way for the two stars in the sale. One, a bronze group of Hercules slaying the Nemean lion, was described as a cast by Antonio Susini from a model by Giambologna, his father-in-law. The bronze is weakish when measured by the high standards of both artists, but the proportions are not the best, nor the chisel work. Christie's estimate stated "on request" £150,000, seemed optimistic. As a telephone bidder doggedly held on, countered by Daniel Katz, now the

leader in the field, his colleagues looked more and more incredulous. When Charles Allsop, Christie's chairman who was taking the sale, called out \$400,000, Katz said loudly "no that's enough" and muttered to his partner "that will teach him a lesson" — meaning the telephone bidder. The price, \$440,000, with the sale premium, was undoubtedly heavy.

Katz, however, must have thought that the "lesson" was not sufficiently spelled out for the next important bronze, the figure of a rearing horse, also cast by Susini from a Giambologna model according to the catalogue, was the occasion of a strange replay of the same act. The telephone bidder was at it again, and so was Katz. The price of the work was exactly the same, \$440,000, with Katz giving up at £390,000 as he had done minutes before on the Hercules. This time the object was five times Christie's high estimate, given "on request" as the phrase goes, shortly before the sale. In contrast to the Hercules, it is supremely good but suffers from one or two condition problems. Again, the price bears no relationship to the market as it stood, say a year ago.

That Christie's sale is not a freak but an indication of a dramatic promotion of a certain type of object d'art, mostly sculpture, which can

be given an attribution attached to some monument or glorified in any other way, was demonstrated two days later at Sotheby's. The object that Sotheby's made the most of was a white marble bust of Christ as the Redeemer. Cleverly done in pure academic style, this is the kind of religious art that used to be considered unsalable. The sappy face, oozing piety, anticipates the Victorian age, could have been enough to kill the piece altogether. A long catalogue entry, explaining that it is the work of Giovanni Battista Caccini done around 1598 to be put upon a tabernacle in Santa Maria Novella, in Florence, helped tip the scales. But not even Sotheby's, in its wildest bouts of optimism, must have expected the bust to go to £825,000.

The promotion of a certain type of sculpture from the past, by using what might be called scholarly hype, is a new phenomenon. It reflects an attempt at broadening investor art, but it is one potentially fraught with problems. For it is one thing to speculate in Picasso or Jasper Johns, whose identity is not in doubt, and quite another to stake millions on objects of art shown to be what they are through demonstrations that can be followed by half a dozen scholars worldwide — assuming they agree among themselves.

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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
Comdell	284.48	284.00	284.00	+1/4
IBM	235.00	234.00	234.00	+1/4
AT&T	215.00	214.00	214.00	+1/4
General	150.00	149.00	149.00	+1/4
IBM	135.00	134.00	134.00	+1/4
IBM	125.00	124.00	124.00	+1/4
IBM	115.00	114.00	114.00	+1/4
IBM	105.00	104.00	104.00	+1/4
IBM	95.00	94.00	94.00	+1/4
IBM	85.00	84.00	84.00	+1/4

Market Sales	
NYSE 4 p.m. volume	137,700,000
NYSE 4 p.m. close	137,700,000
NYSE 4 p.m. volume	137,700,000
NYSE 4 p.m. close	137,700,000
NYSE 4 p.m. volume	137,700,000
NYSE 4 p.m. close	137,700,000
NYSE 4 p.m. volume	137,700,000
NYSE 4 p.m. close	137,700,000

NYSE Index		
High	Low	Close
155.44	154.44	154.44
155.44	154.44	154.44
155.44	154.44	154.44
155.44	154.44	154.44
155.44	154.44	154.44
155.44	154.44	154.44
155.44	154.44	154.44
155.44	154.44	154.44

NYSE Closing	
NYSE	154.44
NYSE	154.44
NYSE	154.44
NYSE	154.44
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NYSE	154.44
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NYSE	154.44
NYSE	154.44

AMEX Diary	
Class	Prev.
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237

NASDAQ Index	
Class	Prev.
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237
Advanced	237

AMEX Most Actives	
Vol.	High
Vol.	High
Vol.	High
Vol.	High
Vol.	High
Vol.	High
Vol.	High
Vol.	High
Vol.	High
Vol.	High

Dow Jones Bond Averages	
Class	Prev.
Advanced	237
Advanced	237
Advanced	237
Advanced	237
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NYSE Diary	
Class	Prev.
Advanced	237
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Odd-Lot Trading in N.Y.	
Class	Prev.
Advanced	237
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Dow Jones Averages	
Class	Prev.
Advanced	237
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Standard & Poor's Index	
Class	Prev.
Advanced	237
Advanced	237
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Advanced	237

Previous NASDAQ Diary	
Class	Prev.
Advanced	237
Advanced	237
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AMEX Stock Index	
Class	Prev.
Advanced	237
Advanced	237
Advanced	237
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Advanced	237

## Stocks Rise in Slow Trading

United Press International

NEW YORK — Stock prices closed slightly higher in sluggish trading on the New York Stock Exchange on Friday, allowing the market only a slight rebound from Thursday's setback. The Dow Jones industrial average, which fell 11.92 points Thursday, edged up 1.78 to 2,143.49. For the week, the 30-stock index gained a 51.21 points, mostly to sharp gains on Monday and Tuesday.

Advances led declines by an 8-6 margin. Volume on the Big Board totaled 134 million shares, compared with 124 million on Thursday. Broader-market indexes also advanced. The NYSE composite index rose 0.22 to close at 155.59. Standard & Poor's 500-stock index rose 0.46 to close at 277.03. The price of an average share gained 5 cents.

In the absence of the type of catalysts that drove stock prices higher early this week, analysts said the market showed limited trading activity Friday, with takeover issues — real or rumored — garnering a lot of investor attention. In addition, traders said profit taking spilled over from Thursday.

A drop in prices Thursday came amid profit taking and lack of news equal to the introduction of "unbundled stock units" by four major companies on Monday or Soviet President Mikhail S. Gorbachev's midweek visit to the United Nations.

"The market is suffering from post-Gorbachev visit," said Ralph Acampora, director of technical research at Kidder, Peabody & Co. "It

came with good news and now we must wait and see if Washington reacts to the news."

Mr. Acampora said Wall Street was hoping Mr. Gorbachev's announcement of Soviet military cutbacks would lead to an easing of U.S. defense spending, thereby cutting the budget deficit.

"It's a wait-and-see attitude," he said, noting that Washington has yet to say anything concrete on the subject.

In addition, Mr. Acampora said, there is a host of government economic reports due next week, including industrial production, capacity utilization, the merchandise trade deficit, housing starts, business inventories, producer prices and retail sales.

Also, a meeting of the Federal Reserve's Open Market Committee — its policy-making arm — is scheduled for Tuesday.

In NYSE trading Friday, Continental Illinois was the most active issue, unchanged at \$18. RJR Nabisco followed, off 1/4 to \$9. Pacific Gas & Electric ex-dividend was third, up 1/4 to \$18.

AT&T was off 1/4 to \$29. IBM was up 1/4 to \$120.4. Other blue chips, American Express was up 1/4 to \$76, and General Motors was up 1/4 to \$64.

In the technology sector, which has strengthened recently, Texas Instruments rose 1/4 to \$38 and Unisys rose 1/4 to \$28 and Digital Equipment fell 1/4 to \$93.

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
27.78	146	145	AAR	44	1.17	17	27.78	146	145	AAR	44	1.17	17
19.18	85	84	ACN	1.01	11.1	11	19.18	85	84	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
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27.78	146	145	AAR	44	1.17	17	27.78	146	145	AAR	44	1.17	17
19.18	85	84	ACN	1.01	11.1	11	19.18	85	84	ACN	1.01	11.1	11
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13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
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13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
27.78	146	145	AAR	44	1.17	17	27.78	146	145	AAR	44	1.17	17
19.18	85	84	ACN	1.01	11.1	11	19.18	85	84	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11
13.18	135	134	ACN	1.01	11.1	11	13.18	135	134	ACN	1.01	11.1	11

12 Month	High	Low	Stock	Div.	Yld.	PE	12 Month	High	Low	Stock	Div.	Yld.	PE
24.78	220	190	Conrail	1.20	3.4	14	147.58	34	34	34	34	34	34
25.78	190	180	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
26.78	180	170	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
27.78	170	160	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
28.78	160	150	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
29.78	150	140	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
30.78	140	130	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
31.78	130	120	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
32.78	120	110	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
33.78	110	100	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
34.78	100	90	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
35.78	90	80	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
36.78	80	70	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
37.78	70	60	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
38.78	60	50	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
39.78	50	40	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
40.78	40	30	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
41.78	30	20	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
42.78	20	10	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
43.78	10	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
44.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
45.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
46.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
47.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
48.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
49.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
50.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
51.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
52.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
53.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
54.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
55.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
56.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
57.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
58.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
59.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
60.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
61.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
62.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
63.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
64.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
65.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
66.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
67.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
68.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
69.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
70.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
71.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
72.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
73.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
74.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
75.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
76.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
77.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
78.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
79.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
80.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
81.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
82.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
83.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
84.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
85.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
86.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
87.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
88.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
89.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
90.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
91.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
92.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
93.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
94.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
95.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
96.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
97.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
98.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
99.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34
100.78	0	0	Conoco	1.00	3.8	14	147.58	34	34	34	34	34	34



ECONOMIC SCENE

Trying to Restrain LBOs:  
Minefield of Contradictions

By PETER PASSELL  
New York Times Service  
NEW YORK — The battle for RJR Nabisco Inc.'s \$25 billion snack and tobacco empire is over, but the political struggle to deter other leveraged buyouts that leave corporations buried under mountains of debt is just beginning. Sponsored by Alan Greenspan, chairman of the Federal Reserve, a congressional bill that would restrict the use of debt for leveraged buyouts is being introduced by Sen. Lloyd Bentsen and Rep. Dan Rostenkowski.

The advice Congress is likely to get from tax experts, however, should temper its enthusiasm. Hastily designed penalties could easily miss their targets. In any case, it is not clear that leveraged buyouts ought to be specially targeted. They account for a minor portion of the shift toward debt in recent years.

If the goal is to tilt corporations back toward stock financing, only a dramatic change in the corporate income tax is likely to make much difference.

An assault on debt-financed buyouts might focus on the extent of leverage: The deductibility of all or part of the interest paid on new debt exceeding some percentage of a company's assets could be eliminated. If the buyout of Consolidated Wiggins borrowed \$19 billion to gain control of the \$20 billion corporation, interest on, say, the last \$9 billion might be taxed.

The alternative is to attack "junk" financing itself, capping the deductibility of interest on high-yield debt. If Consolidated Wiggins's lenders insisted on six percentage points above the U.S. Treasury rate, the new owners might be forced to absorb two percentage points without assistance from the Internal Revenue Service.

Either approach, though, would create inequities — not to mention new employment opportunities for tax consultants. It is not clear, for example, how leverage ought to be defined. Would debts include leases on real estate and equipment? How about unfunded pension benefits? Would any distinction be made between well-secured debt, like mortgages on commercial aircraft and unsecured bank loans?

OR CONSIDER the issue of junk financing. Small companies typically must pay premium rates for borrowed funds. Capping the deductibility of interest would handicap their ability to expand, or deprive them of capital altogether. An interest cap might also prevent failing companies from finding friendly takeover partners.

Emil Sumley, an economist at Deloitte Haskins & Sells and a former Treasury official, suggests what might be the ultimate political stopper: Any tax penalty on leveraged financing of takeovers would greatly favor foreign buyers. Japanese and European companies can raise cash at home at cheap rates by leveraging their own assets. They could then outbid American companies unable to make acquisitions without penalized debt.

The middle over solutions follows from too hasty a reading of the problem by politicians. Mr. Greenspan's concern is leverage, which weakens the ability of corporations to weather recessions. Yet leveraged buyouts account for relatively little of the \$170 billion net increase in corporate borrowing and \$110 billion decrease in outstanding stock last year.

A second criticism of leverage focuses on the unfairness of taxing the gains to equity capital while leaving debt capital untouched. Increased leverage will wipe out RJR Nabisco's tax liability for years to come. According to Forbes magazine, the indirect subsidy is worth \$5 billion to the company's new owners. But while the latest leveraged buyouts offer some spectacular examples of how much the bias can cost Washington, most of the

See LBOs, Page 15

Skandia  
Renews  
Vesta Bid

Swedes Seeking  
Norwegian Unit

STOCKHOLM — Forsakrings AB Skandia, a Swedish insurer, on Friday bid 800 million Norwegian kroner (\$123.5 million) for Vesta A/S, the second-biggest insurance company in Norway, as part of a drive to build a Nordic group.

Analysis said the bid of 200 kroner per share should succeed. Norway had blocked an earlier attempt by Skandia to buy half of Vesta.

"It is inconceivable that they have not received government approval this time," said Rob Rogers, an analyst at Enskilde Securities.

Bjoern Wolroth, managing director of Skandia, said there have been contacts with the Norwegian government. Speaking in Oslo, he said, "After talks today with the finance minister, we have the impression that there are no objections in principle to a Swedish company owning a Norwegian insurer."

Skandia said the bid depended on the approval of Norwegian authorities, which would have to grant exemption from a new law that severely limits foreign ownership in Norwegian insurance companies.

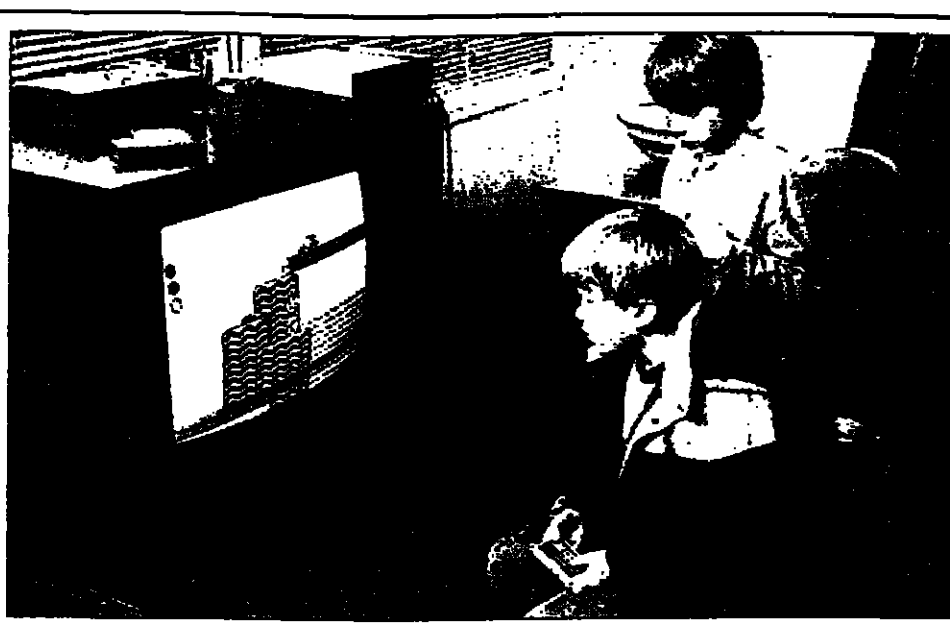
Skandia in May dropped a 1.1 billion kroner bid for 50 percent of Vesta because of the legislation, which was then under consideration.

Tim Youngman, an analyst with Warburg Securities, said, "The market needs foreign involvement. Banking and insurance companies face such severe problems that foreign help is virtually the only answer for some of them."

This was illustrated by the fact that Skandia offered 27 percent less for the entire company now than it was prepared to pay for half of it in May.

Even so, the bid was at a considerable premium over the Vesta share price before the bid was launched. Vesta's shares closed Friday 40 kroner higher, at 180 kroner a share.

Skandia said it was trying to establish a Nordic insurance network to defend the Scandinavian market from increasing competition from European insurance giants.



Youngsters in Washington State play Nintendo's Super Mario Bros. 2, a current sales leader.

(Japanese) Games Americans Play

U.S. Sales of Nintendo Video Systems Reach 10 Million

By Douglas C. McGill  
New York Times Service

NEW YORK — The daydreams of young Americans these days might well be based on hugely successful video games, called Nintendo, that are made in Japan.

Some 10 million Nintendo home video entertainment systems, as the games are known, have been sold in the United States in recent years and have sparked a firestorm of interest that toy industry experts say is America's latest craze and teenage cultural phenomenon.

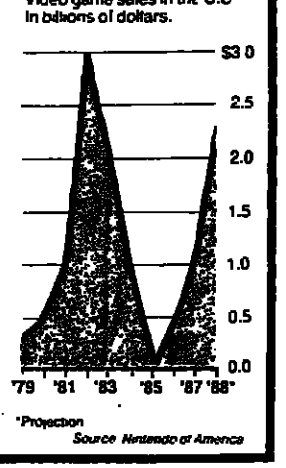
"It's a mania," said Rick Anguilla, editor of Toy and Business World, an industry trade journal. "For boys in this country between the ages of 8 and 15, not having a Nintendo is like not having a baseball bat."

For the uninitiated, the basic Nintendo system consists of a control deck that attaches to any television, transforming it into a screen that plays video games. The hardware comes with a hand-operated joystick, which the players use to control the on-screen video. This costs about \$100.

Then, there is the software: Game cassettes to be inserted in the control deck, which cost

Video Games  
Bouncing Back

Video game sales in the U.S. in billions of dollars.



within a year it will be found in nearly 20 percent of all American households, up from 12 percent now.

Nintendo was the best-selling toy last Christmas and throughout 1988, according to a Toy and Hobby World survey.

The company entered a field once dominated by such early leaders as Atari. With a brilliant marketing plan, perfectionist attention to product quality and sophisticated and extensive customer service, it now commands more than 80 percent of the video-game market.

"It's the hottest thing this year," said Judy Left, an owner of the Toy Park stores in New York City. "People are calling and parents are coming in all the time. They just aren't making them fast enough."

Even more remarkable is Nintendo's success at grafting its games — many of which are based on fantasy adventures created in Japan — onto American culture.

Nintendo first scored a big success in Japan with a video game called "Famicon," which was sold to one of every three homes in Japan, before it was skillfully transplanted into

If current estimates are right,

See GAMES, Page 13

Copper Hits New Peak  
And Nickel Follows Suit

Producers' Difficulties Squeeze Prices

Reuters

LONDON — The price of copper shot to a fresh record Friday and nickel hit a six-month peak as traders worried that strikes and sabotage in some producing countries might create shortages at a time of rising demand and falling supplies.

The way the prices have risen shows how nervous and volatile the market is and how susceptible it is to supply disruption," said John Harris, analyst with London-based metals broker Rudolf Wolff & Co.

Copper, used extensively in the auto and electrical industries, touched \$3,200 a metric ton for delivery in three months in early business on the London Metal Exchange, up \$32 from the record set in New York late on Thursday.

The price declined slightly at Friday's close on the New York Commodity Exchange. December futures dipped 35 cents to \$1,620.

Copper supplies have been squeezed by a two-month-old mine strike in Peru.

Output at Papua New Guinea's Bougainville mine has been disrupted by arson attacks, alleged to have been the work of militant landowners who feel they missed out on compensation.

In a statement on Tuesday, Prime Minister Rabbin Namaliu of Papua New Guinea accused such landowners of using terrorism against the country's biggest investor, CRA Ltd. of Australia, the 53.6 percent owner of Bougainville Copper Ltd.

Chile, the world's largest copper exporter, has had to pay the metal

in world markets since its own production has fallen short of targets. Zambian output has dropped because of a deterioration in mine maintenance, a lack of spare parts and a loss of technical expertise. Zairean production has also fallen.

Canadian mining industry officials have expressed concern lately about their country's declining reserves of base metals.

"The strength in copper is almost entirely U.S.-based," Mr. Harris said. He said stocks on the New York Commodity Exchange were low because U.S. traders took advantage of high prices last year to sell the metal forward.

Nickel, which has been riding high this year on strong demand from steel-makers for the alloying metal, set a six-month peak of \$15,538 a metric ton before easing.

Mr. Harris noted strong demand for stainless steel in Europe. The stainless steel industry takes about two-thirds of nickel supplies.

Despite the surge in nickel from just \$9,570 a metric ton in September, the market is still well under the record \$19,000 a ton set in March, when supplies were strangled by a royal dispute in the Dominican Republic.

Traders said it seemed that immediately available stocks of the metals were insufficient to meet demand.

They said they expect already low London Metal Exchange warehouse copper stocks, which are announced each Monday, to have fallen 3,000 metric tons in the past week, to 64,400 tons, from around 150,000 tons in August.

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Rumors Stoke  
Rise in German  
Interest Rates

By Ferdinand Protzman  
International Herald Tribune

FRANKFURT — West German money-market interest rates rose and the Deutsche mark rose sharply on speculation that the Bundesbank, the West German central bank, will raise its Lombard

crease. It depends partly on whether the dollar begins to rise. I think any rise will come in January.

Should the dollar begin to rise, however, the technical and economic fundamental background gives the Bundesbank plenty of room to lift its key lending rates before the year ends, said Dieter Wermuth, an economist with Manufacturers Hanover Bank GmbH in Frankfurt. But he called such a scenario "unlikely."

Speculation of a rise in the West German Lombard rate initially depressed the dollar. Page 15.

lending rate when policymakers meet Thursday.

In London, the mark rose to 3.2054 against the British pound from Thursday's close of 3.2203 DM. In New York, the dollar fell to 1.7315 DM, compared with 1.7415 DM Thursday.

The speculation was spawned by a combination of factors, including the traditional year-end liquidity crunch, comments Monday by Bundesbank President Karl Otto Pöhl and a surprise sale of dollars Thursday by the Bundesbank.

The Lombard rate, currently at 5.00 percent, is the fee charged banks for very short-term borrowings from the central bank against bills as collateral.

A Bundesbank spokesman declined to comment on the market activity.

But the rumors pushed the West German call money rate up to 4.95 percent Friday, from 4.85 percent Thursday. The call money rate is the interest banks charge one another on overnight borrowings.

Meanwhile one-month interest rates climbed to 5.20 percent from 5.13 percent Thursday.

Economists and money market dealers said the rise in rates could prompt the Bundesbank to raise the Lombard rate, but that market opinion is mixed on whether a rate hike will come before the end of the year.

"I think an increase is unlikely before the end of the year, but with some short-term interest rates above the Lombard rate, I cannot rule out the possibility," said a senior money market dealer at a major West German bank. "There is no urgent need for it, but the conditions in the economy and the markets could easily support an in-

crease. It depends partly on whether the dollar begins to rise. I think any rise will come in January."

On Wednesday, dealers were surprised when the Bundesbank unexpectedly drained liquidity from the market. Most had expected that the Bundesbank would add liquidity to the market.

Then on Thursday, the Bundesbank sold \$31.6 million at the Frankfurt foreign exchange fixing, its first intervention at the official setting since Nov. 24.

Richard Reid, an economist with Phillips & Drew Ltd. in London, said the combined effect of the Bundesbank's moves was to unsettle the markets, while sending a message that it does not want to see the dollar move above the 1.75 DM level.

"I think the rumor was largely born of the Bundesbank's dollar-selling," he said. "It's clear with call money near the Lombard rate that they could make a move. But it's too early."

Currency Rates

Cross Rates	Dec 9
Australian dollar	1.4815
Belgian franc	36.2225
British pound	1.6425
Canadian dollar	1.2815
Deutsche mark	1.7415
French franc	6.5535
Italian lira	1,936.00
Japanese yen	163.60
Netherlands guilder	2.2035
New Zealand dollar	1.2715
Portuguese escudo	200.48
Spanish peseta	166.64
Swiss franc	1.4815
Swedish krona	13.7600
Taiwan dollar	23.6350
Thai baht	5.5480
West German mark	1.7415
Yen	163.60

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. All rates are for 100 units of foreign currency per U.S. dollar.

Interest Rates

Forward Rates	Dec 9
3-month	1.8000
6-month	1.8500
9-month	1.9000
12-month	1.9500
15-month	2.0000
18-month	2.0500
21-month	2.1000
24-month	2.1500
27-month	2.2000
30-month	2.2500
33-month	2.3000
36-month	2.3500
39-month	2.4000
42-month	2.4500
45-month	2.5000
48-month	2.5500
51-month	2.6000
54-month	2.6500
57-month	2.7000
60-month	2.7500

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. All rates are for 100 units of foreign currency per U.S. dollar.

Key Money Rates

Money Rates	Dec 9
3-month	1.8000
6-month	1.8500
9-month	1.9000
12-month	1.9500
15-month	2.0000
18-month	2.0500
21-month	2.1000
24-month	2.1500
27-month	2.2000
30-month	2.2500
33-month	2.3000
36-month	2.3500
39-month	2.4000
42-month	2.4500
45-month	2.5000
48-month	2.5500
51-month	2.6000
54-month	2.6500
57-month	2.7000
60-month	2.7500

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. All rates are for 100 units of foreign currency per U.S. dollar.

Stock Issue by Texaco  
Seen as Defensive Move

Reuters

NEW YORK — A move by Texaco Inc. to issue \$500 million of stock to employees, announced Friday, will strengthen the company's defenses against a hostile takeover or proxy battle, according to analysts.

The announcement came amid speculation that the investor Carl C. Icahn, with a 14.8 percent stake, may be considering a new bid for the major oil company with another unnamed investor.

"The primary purpose of this plan is to create a vehicle for stock to end up in friendly hands," said Mark Gilman, oil analyst at Robert Fleming Inc.

Texaco's issue of \$500 million in convertible preferred stock to a new employee stock ownership plan will ultimately raise its employees' stake in the company to

8.5 percent from 5 percent currently, a Texaco spokeswoman said.

Shares of Texaco fell after the announcement. Traders said that investors were disappointed that the company did not announce a share repurchase plan or an increase in its dividend payment following a board meeting, and the stock closed down 87.5 cents at \$50.125 on the New York Stock Exchange.

Texaco's stock had soared this week on speculation of a bid.

The Texaco chief executive, James Kinnear, said the company is in the final stages of completing its multibillion-dollar asset-sale program. The employee stock scheme would not affect the company's intention to make a \$1.7 billion distribution to shareholders, he said in a statement.

Gold

Gold	Dec 9
American gold	424.25
European gold	424.25
Japanese gold	424.25
Swiss gold	424.25
French gold	424.25
Italian gold	424.25
Spanish gold	424.25
Portuguese gold	424.25
Belgian gold	424.25
Dutch gold	424.25
German gold	424.25
Austrian gold	424.25
Swedish gold	424.25
Norwegian gold	424.25
Denmark gold	424.25
Finland gold	424.25
Iceland gold	424.25
Luxembourg gold	424.25
Netherlands gold	424.25
Poland gold	424.25
Czechoslovakia gold	424.25
Slovakia gold	424.25
Hungary gold	424.25
Czech Republic gold	424.25
Slovenia gold	424.25
Croatia gold	424.25
Serbia gold	424.25
Bosnia and Herzegovina gold	424.25
Montenegro gold	424.25
Albania gold	424.25
Moldova gold	424.25
Ukraine gold	424.25
Belarus gold	424.25
Lithuania gold	424.25
Latvia gold	424.25
Estonia gold	424.25
Letonia gold	424.25
Malta gold	424.25
Cyprus gold	424.25
Greece gold	424.25
Turkey gold	424.25
Israel gold	424.25
Jordan gold	424.25
Lebanon gold	424.25
Syria gold	424.25
Yemen gold	424.25
Oman gold	424.25
U.A.E. gold	424.25
Saudi Arabia gold	424.25
Qatar gold	424.25
Bahrain gold	424.25
Kuwait gold	424.25
Oman gold	424.25
Yemen gold	424.25
U.A.E. gold	424.25
Saudi Arabia gold	424.25
Qatar gold	424.25
Bahrain gold	424.25
Kuwait gold	424.25

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. All rates are for 100 units of foreign currency per U.S. dollar.

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EACH WEEK	15 WEEKS	26 WEEKS	
2 Games	<input type="checkbox"/> \$135.	<input type="checkbox"/> \$225.	<input type="checkbox"/> \$ 450.
4 Games	<input type="checkbox"/> \$270.	<input type="checkbox"/> \$450.	<input type="checkbox"/> \$ 900.
6 Games	<input type="checkbox"/> \$405.	<input type="checkbox"/> \$675.	<input type="checkbox"/> \$1350.

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GAME 1	GAME 2	GAME 3
1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
10 11 12 13 14 15 16 17	10 11 12 13 14 15 16 17	10 11 12 13 14 15 16 17
18 19 20 21 22 23 24 25	18 19 20 21 22 23 24 25	18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33	26 27 28 29 30 31 32 33	26 27 28 29 30 31 32 33
34 35 36 37 38 39 40 41	34 35 36 37 38 39 40 41	34 35 36 37 38 39 40 41
42 43 44 45 46 47 48 49	42 43 44 45 46 47 48 49	42 43 44 45 46 47 48 49
GAME 4	GAME 5	GAME 6
1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
10 11 12 13 14 15 16 17	10 11 12 13 14 15 16 17	10 11 12 13 14 15 16 17
18 19 20 21 22 23 24 25	18 19 20 21 22 23 24 25	18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33	26 27 28 29 30 31 32 33	26 27 28 29 30 31 32 33
34 35 36 37 38 39 40 41	34 35 36 37 38 39 40 41	34 35 36 37 38 39 40 41
42 43 44 45 46 47 48 49	42 43 44 45 46 47 48 49	42 43 44 45 46 47 48 49







BUSINESS ROUNDUP

Davies Fired as Chairman of Next

**The Associated Press**  
LONDON — Next PLC, the trendy British fashion retailer, announced Friday that it had fired George Davies, its chairman and chief executive, following "fundamental disagreements" about management policy.

The board of directors also announced the firing of Liz Davies, Mr. Davies' wife, as the product director.

But the Davies' remain as non-executive directors on the board, Next said.

George Davies, 47, was primarily responsible for building up Next out of the former J. Hopton menswear chain into one of Britain's largest diversified fashion retailers, with more than 400 stores.

Mr. Davies, hailed as a prime example of entrepreneurship in newly capitalist Britain, developed the concept of a tightly controlled selection of well-made women's clothes, sold from a distinctive chain of prime shop sites designed with the help of the British retailer Sir Terence Conran.

David Jones, formerly head of Next's Grattan mail-order business, replaced Mr. Davies as chief executive, Next said. Michael Stoddart, a previous chairman of Next and currently a non-executive director, became chairman again on a temporary basis.

The surprise departures followed Mr. Davies' warning to shareholders earlier this month that group profit for the year ending Jan. 30 would be "significantly lower" than the previous year, when the group had posted a profit of £92.4 million (\$171 million).

A spokeswoman for Next said the Davies' whereabouts was not known.

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Lonrho Acts to Block Bond

**Reuters**  
LONDON — Lonrho PLC, the British conglomerate facing a possible bid by Alan Bond, the Australian businessman, said on Friday that it was taking court action to freeze Mr. Bond's stake in the company at its present 21.6 percent.

Lonrho said it had applied to the British High Court for an order preventing Mr. Bond from increasing his 95 million shareholding in Lonrho.

Terry Robinson, a Lonrho director, said the application was made because Mr. Bond, chairman of Bond Corp. Holdings, had without explanation shifted part of his holding in Lonrho to another company in the Bond Corp. group, Bell Resources Ltd.

Lonrho, under its chairman Roland W. (Tiny) Rowland, has mounted a vigorous counterattack. Bell Resources, which analysts believe would be the prime vehicle for any bid for Lonrho by Mr. Bond, said on Thursday it held 76.3 million Lonrho shares.

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Texas Air Plans to Divide Subsidiaries' Sales Forces

**Compiled by Our Staff From Dispatches**  
WASHINGTON — Texas Air Corp. will separate the sales forces of its two airline subsidiaries, Eastern and Continental Airlines, said Friday, a day after the president of Eastern said his carrier could face a cash shortage because of declining ridership.

The two carriers said the plan to split sales forces would improve efficiency. Under the combined force, Texas Air said, salespeople could visit travel agents and promote charters, group packages and special fares jointly. But it proved difficult to sell two products.

Union officials said they thought the move had other purposes, perhaps indicating Eastern was being readied for sale.

Eastern management has said the airline is not for sale, but portions, notably the Northeast shuttles, have been or are being sold.

Eastern's president, Philip J. Baker, said late Thursday that the carrier could soon face a cash shortage because of a rapid fall in its passengers. The deteriorating competitive position of the airline was disclosed by Mr. Baker late in a day of testimony Thursday in federal district court in Washington.

Mr. Baker said that since September, the airline's business-tier traffic was down about 35 percent from a similar period last year and that its leisure traffic was down about 17 percent, leading to a "tremendous revenue drop."

Mr. Baker testified in an action in which Eastern's unions are seeking to block the sale of the profitable Eastern Air Shuttle operation to Donald J. Trump, the developer. (NYT, AP)

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L-2017 Luxembourg.

GAMES: Nintendo is Big U.S. Hit

(Continued from first finance page)  
American culture in 1987 under the Nintendo name.

Prior to that, Nintendo was best known to American consumers as maker of the popular "Donkey Kong" and the original "Mario Brothers," which were some of the most popular arcade games in the first video game boom of the early 1980s.

For Minoru Arakawa, the president of Nintendo of America, based in Redmond, Washington (and the son-in-law of Hiroshi Yamaguchi, president of Nintendo Co., the parent company in Kyoto, Japan), the key to Nintendo's U.S. success is simple.

"Whether American kids, or German kids, or Japanese kids, they all have something in common," he said. "They are all kids, and human beings, and they all like the same things — fun, excitement and challenge. There are no cultural differences, but in most cases, hot game in Japan is hot game in the States."

"Yet Nintendo's success goes beyond this. It also the culmination of a series of carefully planned marketing and advertising ploys. Underlying Mr. Arakawa's simple philosophy is a complex business plan that was based on patiently watching the American video-game industry and then coming up with a product that was simply better."

"The toy industry has never seen this kind of sophistication," said Allen Bobkot, chief executive of Bobkot Communications, a New York firm that specializes in buying broadcast time and print ad space for toy marketers.

Indeed, the Nintendo games themselves, with their colorful names and eccentric cast of characters, have proved to be the company's best advertising, creating a word-of-mouth excitement that spreads as fast as the word on the latest rock group or Steven Spielberg adventure movie.

Where baseball cards and comic books were once traded in school yards, the hot talk now among teen-agers is of "Zelda II — The Adventure of Link" and "Super Mario Bros. 2," the hottest Nintendo video games of the season, both of which were created by video-game writers and programmers in Japan.

Many Nintendo best sellers are based on preposterous premises. For example, "Super Mario" features two mustachioed Italian janitors who endure various trials, such as dodging hammer-throwing turtles, lava balls and man-eating plants, in order to save a Mushroom Princess.

Nintendo is riding the crest of an American video-game market that has been punctuated by sharp boom-and-bust cycles.

The industry itself dates back to 1979, when the first games were introduced. But its heyday came in the early 1980s, when industry sales rocketed from practically nothing to \$3 billion in 1982.

A bust followed the boom, and industry sales sank to \$100 million by 1985.

It was during the dark days of 1985 and 1986 that Nintendo successfully test-marketed its games in New York City and Los Angeles and decided that the slump was an artificial one, caused not by customer boredom with video games, but by a flood of poor-quality games and dramatically varying prices.

Vowing to keep its game quality consistently high and to carefully control prices, Nintendo in late 1986 followed up its successful test markets with nationwide marketing.

In 1987, the company drew \$750 million in sales (grabbing 70 percent of the video-game market) and projected sales of \$1.7 billion by the end of this year — increasing its market share to its present 83 percent.

"Nintendo was very methodical and careful," said Mr. Bobkot, noting that while the company knew what it had in 1985, "they waited and waited and waited. Most American businessmen can't wait like that. Nintendo doesn't run, it walks, and it's walked into a gold mine."

The caution reflected Nintendo's concern that there was demand for video games before it plunged into the American market; it also wanted to take time to develop quality software games.

The company figured that the reason video games dropped off in popularity was that the games had become uninteresting. So it drew out 34 software companies to make the games.

Atari, meanwhile, an American company that had led the home video-game boom in the early 1980s, and Sega, another industry player that entered the market more recently, fell to a distant second and third place, respectively, in market share.

The software is incompatible: One cannot play an Atari game on a Nintendo deck. And at this point, by far the greatest number of games — and the highest-quality ones, most children say — are made by Nintendo, making its hardware the system of choice.

Nintendo uses larger memory chips than have ever been used before in video games, holding up to three million bits of information, compared with 8,000 bits in early-generation games.

Occasional shortages of memory chips have limited production of some popular games, causing an outcry among retailers and players.

But the company carefully monitors sales, putting out new titles and pulling slow sellers.

Royal Nepal Airlines Corporation Global Tender Notice

Royal Nepal Airlines Corporation, Kathmandu, Nepal invites tenders for the sale of its two HS-748 Series 2A Model 253 Turbo Propeller Aircrafts manufactured by British Aerospace, U.K. in 'As is where is' condition. The aircrafts are presently in flying condition and are being maintained as per BA low utilization maintenance schedule. The aircrafts are available at Tribhuvan International Airport, Kathmandu for inspection.

Aircraft Registration	Date of Manufacture
9N-AAU	5.12.68
9N-AAV	23.12.68
Serial No.	Hours/Cycles As of 14.10.88
1671	21490 / 26410
1672	22264 / 28066

- B) Engine Type: Rolls-Royce Dart MK 534-2
- C) Approved TBO: 3600 Hours
- D) Propeller Type: Dowty Rotol R 212/4-30-4/22
- E) Approved TBO: 3400 Hours
- F) Avionics including D.M.E.: Collins in general
- G) The acquisition cost per aircraft was USD 1.201 million
- I) Certain spare parts related to above aircrafts are also available for disposal.

The list will be provided along with the tender form.

Interested parties can obtain tender forms by paying NER 500.00 or equivalent amount in our "Special Account No. 020" with Nepal Rastra Bank, Banking Office, Thapathali, Kathmandu, Nepal, or by sending A/C Payee Draft in favor of Royal Nepal Airlines Corporation P.O. Box 401, Kathmandu, Nepal.

The tender forms must be accompanied by Bank Voucher of Bank Guarantee of 2.5 percent of total bid, deposited in the Corporation Account, the details of Bank Account No. will be provided along with the Tender form.

The last date of submission of tender is 45 days after the first publication of notice. All tenders received shall be opened in presence of all tenderers or their authorised representatives on the date notified to the tenderers by the corporation

M) The company reserves the right to accept or reject any tender

N) For further details, please contact:

Director, Central Purchase & Stores  
Royal Nepal Airlines Corporation  
Tribhuvan International Airport  
Kathmandu, Nepal  
Site: KTM/TMRA  
Tlx: NP2210  
Tel: 412919  
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